A. CALL TO ORDER
B. ROLL CALL
C. ACCEPTANCE OF AGENDA
D. MEETING MINUTES
   Review and approval:
   Regular Board Meeting – August 28, 2014
   Regular Board Meeting – September 25, 2014
   Review and approval of Executive Session:
   Executive Session – September 25, 2014
E. CORRESPONDENCE/ANNOUNCEMENTS
F. BOARD COMMITTEE REPORTS
G. OLD BUSINESS
   1. Discussion and Possible Action on the Appointment of a Hearings Officer as it Relates to the Petition to Appeal the Decision of the Water Department Regarding TMKs (4)-6-06:17, 19, and 20 for Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton
H. NEW BUSINESS
   1. Resolution No. 15-05 – Discussion and Possible Action of Resolution No. 15-05, Mahalo DOW Participants 2014 Make a Splash Water Festival

NOTE: If you need an ASL Interpreter, materials in an alternate format, or other auxiliary aid support, please contact Edie at 245-5406 or email: eineumiller@kauaiwater.org at least seven (7) calendar days before the meeting.
4. Discussion and Suggestions for Capital Improvement Projects (CIP) for the 2015 Legislative Session

5. Manager’s Report No. 15 –16 —Discussion and Possible Action for the Proposed New Clerical Assistant – Community Relations Position


7. Discussion and Possible Action on Tentative Board Meeting Dates for 2015

I. STAFF REPORTS

MONTHLY

1. Discussion and Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures

2. Discussion and Receipt of the Report by the Public Relations Specialist on Public Relations Activities

3. Discussion and Receipt of the Chief of Operation’s Summary Report on Operational Activities

4. Discussion and Receipt of the Manager and Chief Engineer’s Monthly Update Regarding Activities of Note of the DOW
   a. Report of the BAB pay down as of September 2014

QUARTERLY

1. Quarterly Update on Project Status
   a. Construction Management Division Status
   b. Engineering Division Design Status

J. EXECUTIVE SESSION

Pursuant to H.R.S. §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

1. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated September 25, 2014. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item.

2. Pursuant to Hawai'i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a briefing and consultation with regards to Agenda Item H6 and the procedures regarding appointment of a hearings officer pursuant to Department of Water Rules and Regulations, Part I, Section I (5)(e). (Petition to Appeal the Decision of the Water Department regarding TMK (4)-6-06:17, 19, and 20, Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton). This briefing and consultation with the Board’s counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board as they relate to this agenda item.
3. Pursuant to Hawaii Revised Statutes Sections 92-4, 92-5(a)(4), and the purpose of this executive session is to provide the Board of Water with a briefing regarding the process of hiring a new Manager and Chief Engineer. Furthermore, this briefing and consultation with the Board of Water’s legal counsel involves the powers, duties, privileges and/or liabilities of the Board of Water as it relates to this agenda item.

K. TOPICS FOR NEXT WATER BOARD MEETING (November 2014)
1. Discussion and Possible Action of Proposed Delegation of a Meter Restriction Board Policy
2. Discussion and Possible Action on the DOW’s Draft Annual Audit for FY 13-14 (Special Board Meeting)

L. TOPICS FOR FUTURE WATER BOARD MEETINGS
1. Billing Reconciliation Standard Operating Procedures (SOP)
2. Emergency Standard Operating Procedures (SOP)
3. Election of Officers for 2015 (December 2014)
4. Manager’s Report No. 11-28 – Discussion and Possible Action regarding Part 5 of the Rules, Facilities Reserve Charge – Proposed New Rule, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
5. Manager’s Report No. 14-24 – Discussion and Possible Action regarding Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)

M. UPCOMING EVENTS
1. DOW Annual Meeting (December 12, 2014)
2. AWWA Hawai’i Section, Honolulu, HI (February 3-5, 2015)
3. AWWA Annual Conference, Anaheim, CA (June 7-10, 2015)

N. NEXT WATER BOARD MEETING
1. Wednesday, November 5, 2014, Special Board Meeting, 1:00 pm
2. Thursday, November 20, 2014, 10:00 a.m.
3. Thursday, December 18, 2014, 10:00 a.m.
4. Thursday, January 22, 2015, 10:00 a.m.

O. ADJOURNMENT

NOTE: If you need an ASL Interpreter, materials in an alternate format, or other auxiliary aid support, please contact Edie at 245-5406 or email einenmiller@kauaiwater.org at least seven (7) calendars day before the meeting.
Draft Minutes
MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, August 28, 2014

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu‘e on Thursday, August 28, 2014. Chairperson Clyde Nakaya called the meeting to order at 10:05 a.m. The following Board members were present:

BOARD:  
Mr. Clyde Nakaya, Chairperson  
Mr. Sherman Shiraishi, Vice Chair  
Mr. Hugh Strom (via teleconference, Houston, Texas)  
Mr. Raymond McCormick  
Mr. Michael Dahilig  
Mr. Larry Dill  
Ms. Laurie Ho

Quorum was achieved with 7 members present at the time of roll call.

STAFF:  
Mr. Kirk Saiki  
Mr. Val Reyna  
Ms. Marites Yano  
Mr. Dustin Moises  
Mr. Keith Aoki  
Mr. Joel Bautista  
Ms. Sandi Nadatani-Mendez  
Ms. Kim Tamaoka  
Ms. Mary-jane Akuna  
Deputy County Attorney, Andrea Suzuki

GUESTS:  
Deputy County Attorney, Ian Jung  
Mr. Mark Valencia, represented Mr. Chris Singleton, Makaleha Gardens Subdivision  
Mr. Chris Singleton, Managing Member, Makaleha Gardens Subdivision  
Ms. Kacy Chatfield, Makaleha Gardens, LLC  
Ms. Justine Duarte, Private Citizen  
Mr. Lelan Nishek, Kaua‘i Nursery & Landscaping  
Mr. Hall Parrott, Private Citizen

ACCEPTANCE OF AGENDA
Chair Nakaya ordered to rearrange the agenda and to move up New Business Item H1. Resolution 15-02 Farewell to Rena Horikawa (Retiree), Clerk Dispatcher II, Operations Division prior to Correspondence and Announcements and New Business H6. Petition to Appeal the Decision of the Water Department regarding (TMK) (4)-6-06:17,19,20, Subdivision No. S-2103-23, Makaleha Gardens LLC., Christopher Singleton. Discussion and possible action regarding Board discretion to hold Administrative Hearing pursuant to Department of Water Rules and Regulations, Part I, Section VII (4) after Resolution 15-02.

Ms. Ho moved to accept the amended agenda; seconded by Mr. McCormick; with no objections; motion was carried with 7 ayes.
MEETING MINUTES

Review and approval of:

Regular Board Meeting – May 22, 2014
Mr. Dahilig moved to approve the Regular Board Meeting minutes of May 22, 2014; seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

Regular Board Meeting – June 26, 2014
Page 3 of 13, last sentence was amended to read: “At the May Board meeting, Mr. Dahilig stated he would prefer to borrow money to fund projects that would generate FRC funds.”

Mr. Dahilig moved to approve as amended the Regular Board Meeting minutes of June 26, 2014; seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

Regular Board Meeting – July 24, 2014
Page 5 of 13, Paragraph 7, was amended to read: “Mr. Doi explained the meaning of the last paragraph - “Shall not apply to previous subdivision...” When the storage restriction was done, some subdivisions were approved. however only five water meters could be taken. When the storage was built, the intent is not to go back in time and say “now you are hit with source restriction so you are still limited to five water meters.” For subdivisions that was approved and conditioned based on the storage restriction and not source, DOW would not say “the storage is built and now there is source restriction.” Any claims can be submitted to the Department for review.”

New paragraph: “Mr. Doi also clarified that the five water meter restriction would apply to big and small lots up to the density of the lot.”

Mr. Dahilig moved to approve as amended by the Commission Support Clerk the Regular Board Meeting minutes of July 24, 2014; seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

Public Hearing – May 22, 2014
Mr. Dahilig moved to approve the Public Hearing minutes of May 22, 2014; seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

Special Board Meeting – June 5, 2014
Mr. Dahilig moved to approve the Special Board Meeting minutes of June 5, 2014; seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

Review and approval of Executive Session:

Executive Session – July 24, 2014
Mr. Dahilig moved to approve the Executive Session minutes of July 24, 2014; seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

H. NEW BUSINESS

1. Resolution 15-02 Farewell to Rena Horikawa (Retiree), Clerk Dispatcher II, Operations Division

BACKGROUND:
Resolution 15-02 was read by Acting Manager and Chief Engineer, Mr. Saiki which was followed by a photo op with the Board members in recognition of Ms. Horikawa’s retirement.
Mr. Shiraishi moved to adopt Resolution 15-02 Farewell to Rena Horikawa (Retiree), Clerk Dispatcher II, Operations Division; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

6. Petition to Appeal the Decision of the Water Department regarding (TMK) (4)-6-06:17,19,20, Subdivision No. S-2103-23, Makaleha Gardens LLC., Christopher Singleton. Discussion and possible action regarding Board discretion to hold Administrative Hearing pursuant to Department of Water Rules and Regulations, Part I, Section VII (4)

Mr. Mark Valencia, Petitioner represented Mr. Chris Singleton, Managing Member, Makaleha Gardens Subdivision and Deputy County Attorney, Andrea Suzuki, represented the Department of Water and provided their testimony.

BACKGROUND:
Chair Nakaya stated the petition is for a declaratory ruling pursuant to Section 7 of the Board Rules. A declaratory ruling may be issued by the Board. The Board will decide at this meeting if a contested case hearing should occur regarding this matter.

Rule 4, Section 7 states: “A hearing is not required for the purpose of resolving a petition for a declaratory judgment, however the Board may in its discretion, order a hearing for resolving a declaratory ruling.”

DISCUSSION:
The petition contained a request for hearing. Petitioner, Mr. Valencia confirmed there was no request for a contested case hearing at this time but may request a contested case hearing in the future. Deputy County Attorney, Andrea Suzuki also did not request a contested case hearing.

Chair Nakaya suggested the Board make a motion or submit a proposed Findings of Fact, Conclusions of Law and Decisions in Order. The parties were given 30 days to submit proposals for the Board’s decision meeting. This matter can come up at the next Board meeting following the submittals.

There were no objections from Mr. Valencia or Department.

Mr. Valencia could call witnesses to confirm the documents included in the submittals. He also noted that contacting witnesses was not discussed with Mr. Singleton.

Mr. Dahilig moved to go into Executive Session to discuss New Business Item H6; seconded by Mr. Dill; with no objections, motion was carried with 6 Ayes at Roll Call: LH, MC, MD, LD, CN, HS and 1 Nay: SS.

At 10:25 a.m. Mr. Dahilig read the following Executive Session language:

5. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a briefing and consultation with regards Agenda Item H6. (Petition to Appeal the Decision of the Water Department regarding (TMK) (4)-6-06:17,19,20, Subdivision No. S-2103-23, Makaleha Gardens LLC., Christopher Singleton. Discussion and possible action regarding Board discretion to hold Administrative Hearing pursuant to Department of Water Rules and Regulations, Part I, Section VII (4)). This briefing and consultation with the Board counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.
At 10:45 a.m., Chair Nakaya reconvened the Regular Board Meeting.

Deputy County Attorney, Ian Jung mentioned that a July 28, 2014 submittal miss cited the rules regarding hearings. A separate submittal on August 7, 2014 requested a declaratory ruling. The Petitioner was unsure if they wanted a contested case hearing. Since the Petitioner would like to call witnesses, this matter now moves into a contested case hearing. Section 9 of the Board rules details a contested case hearing based on a declaratory request.

Deputy County Attorney, Ian Jung presented three (3) options to the Board:
1) Hold a contested case hearing to examine the full evidentiary portion.
   Call witnesses.
   Submit Findings of Fact and Conclusions of Law.
   Board to take action on the proposed decision and order.

2) Waive the contested case hearing requirement.
   Hear written brief submittals without calling witness for testimony.

3) Procure a Hearings Officer on the contested case to do the evidentiary portion.
   Proposed Findings of Fact and Conclusions of Law could be recommended to the Hearings Officer and then submitted to the Board for full discussion and disposition.
   Optional: To have a Board member act as the Hearings Officer. Deputy County Attorney, Ian Jung would not recommend a proposed Findings of Fact but to have the full Board deal with the disposition on the proposed Findings of Fact and Conclusions of Law by each party.

Mr. Valencia hoped to get a quick decision from the Board and requested to have a contested case hearing and to call witnesses in front of the Board.

The Board could decline the contested case hearing but it is recommended by Deputy County Attorney Ian Jung to go through the contested case hearing to create a factual and evidentiary foundation and why the Board made their decision. There is a possibility of the full Board to make a decision at a later date whether the Board can hear the matter and to be referred to a Hearings Officer.

If the Board would like to have a Hearings Officer, this request would have to be properly Sunshine Law (post agenda). There would also be a referral on a Hearings Officer and action on the request.

Chair Nakaya suspended the rules for comments from Mr. Valencia who requested the Board to issue a ruling on the petition to affirming what was on the Subdivision approval.

A discussion on the proposal of ruling on the petitioner’s request was requested by Mr. Dill.

Mr. Shiraishi stated if the Board goes into a contested case hearing, the discussions on the relative merits to further discuss the matter is to reserve the facts for the contested case hearing. There would be a clean record for review if this matter is appealed.

Chair Nakaya suspended the rules for Mr. Singleton to make a comment during the discussion.

A Point of Order was made by Mr. Dahilig who asked Deputy County Attorney, Ian Jung if this matter was pursuant to the Sunshine Law or Chapter 91. Deputy County Attorney, Ian Jung’s reply was that Mr. Singleton’s comments should be taken during the contested case hearing.
Mr. Dahilig moved to reinstate the rules and to call for the question on the floor; seconded by Mr. Dill; with no objections.

Chair Nakaya called the meeting back in session.

Mr. Shiraishi moved to proceed with the contested case hearing; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.

At 10:56 a.m., Deputy County Attorney, Ian Jung exited the meeting with the petitioner’s attorney.

E. CORRESPONDENCE/ANNOUNCEMENTS

1. Correspondence from Kaua’i County Council Chair, Jay Furfaro regarding a Recommendation for Appointment to the Ad Hoc Advisory Committee to the Water Use Development Plan, dated July 11, 2014

BACKGROUND:
Acting Manager and Chief Engineer, Mr. Saiki complied with Council Chair, Jay Furfaro’s recommendation to appoint Ms. Debra Lee-Jackson to the Ad Hoc Advisory Committee to the Water Use Development Plan. The Department hand delivered a letter to Debra Lee-Jackson pending a response.

Mr. Dahilig moved to receive the correspondence from Kaua’i County Council Chair, Jay Furfaro regarding a Recommendation for Appointment to the Ad Hoc Advisory Committee to the Water Use Development Plan, dated July 11, 2014; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

2. Correspondence from KMH LLP, regarding the Audit of Department of Water Financial Statements and Compliance as of year ended June 30, 2014, dated July 28, 2014

Mr. Dahilig moved to receive the correspondence from KMH LLP, regarding the Audit of Department of Water Financial Statements and Compliance as of year ended June 30, 2014, dated July 28, 2014; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

3. Correspondence from Kaua’i County Council Chair, Jay Furfaro regarding a Follow-up Request Relating to Agenda Item C 2014-220: Department of Water Briefing

Mr. Dahilig moved to receive and refer to the Acting Manager & Chief Engineer the Correspondence from Kaua’i County Council Chair, Jay Furfaro regarding a Follow-up Request Relating to Agenda Item C 2014-220: Department of Water Briefing; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

F. BOARD COMMITTEE REPORTS

Report of the Finance Committee of the Kaua'i County Board of Water Supply
2. Manager’s Report No. 15-01 – Committee Discussion on Draft Capital Outlay Budget for FY 14-15
Mr. Dahilig moved to receive Report of the Finance Committee of the Kaua'i County Board of Water Supply; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

G. OLD BUSINESS


Mr. Shiraishi moved to approve Manager’s Report No. 14-54 – Proposed Revised Board Policy No. 26, Emergency Reserve Fund; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

2. Manager’s Report No. 15-01 – Board Adoption of the Capital Outlay Budget for FY 14-15

Chair Nakaya ordered to hear Manager’s Report No. 15-01 and to make a Board decision after New Business Item H5. Manager’s Report No. 15-08 - Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase 1), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i; with no objections.

3. Manager’s Report 15 – 02 – Discussion and Approval of Proposed Amendments to Kapa’a Homesteads Meter Restriction Policy Established on August 14, 2002

DISCUSSION:
Mr. Dill referred to Table 1, Page 3 of 5 – Maximum Daily Demand (MDD) Totaled 1.274 compared to the available Total Source of 1.224.

At 11:03 a.m., Mr. Dahilig exited the meeting.

Mr. Chris Singleton, Managing Member, Makaleha Gardens Subdivision provided his testimony

Mr. Singleton presented the Board a photo of an approximate 6” water line from the new CVS/Longs Drug store, Kapa’a. He used the same 6” water at the Waipouli Resort to supply the entire resort and questioned the Board why the CVS/Longs Drug store needed a 6” water line.

At 11:04 a.m., Mr. Dahilig re-entered the meeting.

This week, Mr. Singleton requested a copy of the water calculations but was told he could not get a copy. He also inquired if the Coconut Plantation’s 347 rooms were granted water and if they paid FRC charges.

Chair Nakaya stated that Mr. Singleton was off the subject matter.

Mr. Singleton indicated the subject was about a five (5) meter limitation on urban zoned property, which would allow for more density and more water meters.

Civil Engineer, Mr. Aoki clarified that the size and scope of the restriction on Kawaihau Road was above the 214 zone which is below Kapa’a Middle School.

Mr. Singleton inquired why the Department is restricting people up the hill when the water runs through their property and not to everyone downhill when water doesn’t come from their property.

Mr. Dahilig suggested Mr. Singleton be referred to the Department to answer his questions on the matter.
Mr. Lelan Nishek, Kaua'i Nursery & Landscaping (KNL) provided his testimony.

Mr. Nishek stated the meter restrictions do not allow future planning to build a small subdivision on land that he owns. KNL cleared Mr. Singleton’s property based on getting the water meter permits.

Mr. Dahilig stated that Mr. Nishek’s testimony was Out of Order in securing evidence outside of the contested case hearing and that the Board’s liability needed to be protected.

Ms. Ho moved approve Manager’s Report 15 – 02 – Discussion and Approval of Proposed Amendments to Kapa’a Homesteads Meter Restriction Policy Established on August 14, 2002; second by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

4. Manager’s Report 15 – 04 – Discussion and Receipt of the DOW’s update on the Kalāheo Water Emergency (Report 3)

BACKGROUND:
Acting Manager and Chief Engineer, Mr. Saiki provided responses from the questions the Board asked at the July 24, 2014 Board meeting.

- Contact the Contractor repairing the Kalaeo pumps to determine what caused the pump shaft to shear. Well Pump 1 was not installed plumb. The spiders were not in the correct place which fell out. Well Pump 2 installation seemed to be okay and the line shafts bushings were in place. In theory, a material defect in the pump shaft may have caused the defect.
- Determine if there are any fail safe mechanisms that can be implemented to prevent pump failure. The mechanical equipment can fail occasionally. The Department plans to construct the Yamada Well reservoir as another source. The Jelly Factory Booster Pump will also be rehabilitated.
- Check the SCADA information to determine if motor amperage increased before the shaft failure. SCADA information was checked and no amperage anomalies were observed. Monitoring the amperage would not give an indication of shaft failure.
- How is the one year loss of SCADA history data being addressed? How will the Department prevent the SCADA system servers from failing again? The Department has replaced the broken SCADA servers and data is backed up monthly.
- How was the system and controls configured? The well pumps at the Kalaeo Well site are configured as a lead-stand by system.
- Were there power spikes in the Kalaeo area at the time of shaft failures? There were no known power spikes prior to the pump shaft failures.

Chief of Operations, Mr. Reyna stated that Well 1 repairs were temporarily suspended because the contractor was sent to the Kīlauea Well which was about to fail since Kalāheo was already receiving water supply. The contractor will complete Well 1 which will take 7 days starting next week.

Ms. Ho moved to receive Manager’s Report 15 – 04 – Discussion and Receipt of the DOW’s update on the Kalāheo Water Emergency (Report 3); seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

H. NEW BUSINESS
2. Discussion and Receipt of the American Water Works Association Boston, MA Conference Reports (June 8-12 2014)
   a. Report from Kaua'i Board of Water Supply Member, Larry Dill
   b. Report from Kaua'i Board of Water Supply Member, Michael Dahilig
Ms. Ho moved to receive Receipt of the American Water Works Association Boston, MA Conference Reports (June 8-12 2014) a) Report from Kaua'i Board of Water Supply Member, Larry Dill and b) Report from Kaua'i Board of Water Supply Member, Michael Dahilig; seconded by Mr. Dill; motion carried with 7 ayes.

3. **Manager's Report No. 15-06 - Grant of Easement for Schurch Industrial Building, Līhu'e, Kaua'i, Affecting the following Landowner:**
   1. P. Schurch Revocable Trust, affecting TMK(s): (4) 3-3-012:002, Līhu'e, Kaua'i, Hawai'i

Mr. Dill moved to approve **Manager's Report No. 15-06 - Grant of Easement for Schurch Industrial Building, Līhu'e, Kaua'i, Affecting the following Landowner:** 1) P. Schurch Revocable Trust, affecting TMK(s): (4) 3-3-012:002, Līhu'e, Kaua'i, Hawai'i; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

4. **Manager's Report No. 15-07 - Grant of Easement for Longs Drugs Kapa'a, Kapa'a, Hawai'i, Affecting the following Landowner:**
   1. Longs Drugs Stores California, LLC., affecting TMK(s): (4) 4-3-7:29 & 30, Kapa’a, Kaua'i, Hawai'i

**BACKGROUND:**
Mr. Dill clarified for the Board’s understanding in reference of the photo Mr. Singleton presented that CVS/Longs Drugs store has a small water meter and sized to provide maximum daily demand. The large 6” assembly provides fire protection not to address regular domestic water service. There was a misrepresentation earlier in the meeting when the photo was shown. The existing water meter is sized at 1-1/2” or 2”.

Mr. Dill moved to approve **Manager's Report No. 15-07 - Grant of Easement for Longs Drugs Kapa’a, Kapa’a, Hawai'i, Affecting the following Landowner:** 1) Longs Drugs Stores California, LLC., affecting TMK(s): (4) 4-3-7:29 & 30, Kapa’a, Kaua'i, Hawai'i; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

5. **Manager's Report No. 15-08 - Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase 1), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i**

**BACKGROUND:**
Construction Project Management Officer, Mr. Moises recommended the Board approve one of the five (5) options in the report.

The Department went through the Master Plan process and the Board approved the plan, moved forward in design, subdivided, rezoned the lot and was put out to bid for construction in April 2014. Initial proposals were high ranging from $11.4M to $13M. The procurement was canceled and the plans were redesigned and some items were eliminated. By putting the project out to bid again for construction, The Department saved $800K.

The following five (5) Options were presented:

**OPTION 1: APPROVE SRF/BAB/WU FUNDING IN ORDER TO AWARD CONTRACT TO FOLLOWING PROPOSER AS SHOWN**

- The engineers estimate was completed in February/March 2014 at $10.3M.
OPTION 2: APPROVE SRF/BAB FUNDING IN ORDER TO AWARD CONTRACT TO FOLLOWING PROPOSER AS SHOWN
- Utilize spending down the BAB first.

OPTION 3: NOT AWARD CONTRACT TO SELECTED PROPOSER AND READVERTISE SAME DESIGN CONCEPT AT A LATER TIME (1-4 YEARS FROM NOW)
- Pros & Cons were listed in the report.

OPTION 4: NOT AWARD CONTRACT TO SELECTED PROPOSER AND NEVER CONSTRUCT CURRENT DESIGN CONCEPT
- Cancel the contract and suspend the project.

OPTION 5: NOT AWARD CONTRACT TO SELECTED PROPOSER AND REDESIGN BASED ON OTHER CONCEPT OPTIONS IN MASTER PLAN
- Pros & Cons were referenced in the March 2014 Workshop presentation.

DISCUSSION:
There was $1.5M difference between the two bids. One company has worked with the DOW and was vested on the project.

Unlimited Construction Services, Inc. turned in their proposal on time and was debriefed. Feedback was provided based on their inquiry on how to improve their bid after the first bid was cancelled.

Layton Construction submitted their proposal after the 2:00 pm deadline which was not reviewed.

Chair Nakaya agreed with Mr. Dahilig for the Department to stay within budget and to avoid change orders. Mr. Moises stated the Board should have the Department keep all projects within every budget.

Based on the actual funding approval, Mr. Moises was aware the change orders would be an issue. He lowered the contingency to 3% ($338,180.86) instead of the standard 5% contingency. The conditional approval was based on redesigning Haleko Road which may require a change order later.

At 11:33 a.m., Mr. McCormick exited the meeting.

At 11:34 a.m., Mr. McCormick re-entered the meeting.

Mr. Dill inquired there would be a possible increase in cost on Haleko Road.

It was explained by Mr. Moises that if the existing drain line is even 1” higher than anticipated, the road would have to be raised and could require a drainage study if required by Public Works. The construction costs would be a big increase (approx. $150K includes raising the road and additional work related to it). If sidewalks are added, it would be 160’ extra. Mr. Moises would be shocked if the initial contingency is exceeded on Haleko Road and if he had a change order over $300K on the intersection alone but not impossible.

During the discussion, Mr. Dill requested that all reports include a recommendation.

Acting Manager and Chief Engineer, Mr. Saiki explained that if the bid came in less than $10M there would be a recommendation, but if the bid went over, the report would only be presented with options.
Mr. Moises thanked Mr. Saiki for backing up the decision of not including a recommendation on the report but Mr. Moises stated he had to own his words from previous Board meeting and for that reason he could not make the recommendation once over $10M and apologized to the Board because the intent was to not recommend the bid if it was over $10M or and only recommend options for approval. If asked, he would have recommended Option 1 or 2.

Mr. Dill expressed his appreciation on Mr. Moises hard work on the Līhu'e Baseyard project bid report and thanked the Department.

Mr. Dahilig moved to approve OPTION 2: APPROVE SRF/BAB FUNDING IN ORDER TO AWARD CONTRACT TO FOLLOWING PROPOSER AS SHOWN - Water Plan 2020 Project PLH-39, Lihue Baseyard Improvements (Phase 1), Lihu’e Water System, Lihu’e, Kaua’i, Hawai’i, Unlimited Construction Services, Inc. in the amount of $10,661,819.14; seconded by Ms. Ho; with no objections, motion carried with 7 ayes.

The Capital Outlay was based on $4M SRF. $6.1M was an unencumbered BAB balance in Option 2 which could move into the Līhu'e Baseyard building line item if approved by the Board.

Chair Nakaya deferred Manager’s Report No. 15-08 to the end of the meeting to allow Ms. Yano (during the meeting) to minus $1M from the proposed Capital Outlay budget from the 'Anini 01b line item and to return with an updated budget for the Board.

I. STAFF REPORTS
MONTHLY
1. Statement of Kaua’i County Water Department’s Revenues and Expenditures

Ms. Yano presented her report later in the meeting (refer to Page 13).

2. Report by the Public Relations Specialist on Public Relations Activities

Mr. Shiraishi moved to receive Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.


BACKGROUND:
Mr. Reyna presented the man-hours chart which reflected how the Kalâheo emergency affected Operations Division’s overtime compared to previous months. There was an increase of 100% man hours in overtime (OT) (April 498 OT, May 720 OT, and June 837 OT).

Mr. Shiraishi moved to receive Report by the Public Relations Specialist on Public Relations Activities; seconded by Ms. Ho; with no objections, motion carried with 7 ayes.

4. Manager’s Monthly Update Regarding Activities of Note of the Kaua'i County Water Department

BACKGROUND:
Acting Manager and Chief Engineer, Mr. Saiki highlighted the following:

1. County Council Meeting (8/13/14) – The Department appeared before Council, at their request on August 13th and provided an update of Water Plan 2020 projects, status of Kahili HDD Well
Project, and the Department's budgetary needs. Acting Manager and Chief Engineer thanked Ms. Yano, Mr. Moises and Mr. Aoki for doing a good job during the Council presentation.

2. Warrant Vouchers Updated Amount - should be $5,020,069.74 (not $5.8M)
The corrected Warrant Vouchers new handout was distributed as “Receive for the Record.” Information Technology Specialist, Ms. Nadatani-Mendez explained that the Warrant Vouchers new handout was generated from the new financial system that matches the budget. This report will now reflect a one month lag (instead of a two month lag).

Mr. Shiraishi moved to receive the Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department; seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

a. Report of the BAB pay down as of July 2014

Mr. Shiraishi moved to receive the Report of the BAB pay down as of July 2014; seconded by Mr. McCormick; with no objections, motion carried with 7 ayes.

At 11:50 a.m., Chair Nakaya called for a 10 minute recess.

At 10:59 a.m., Chair Nakaya reconvened the Regular Board meeting.

Acting Manager and Chief Engineer, Mr. Saiki reminded the Board they have a copy of the rule change for the Leak Rebate which was distributed before the meeting. The rule change should be updated in the Board Handbook effective August 23, 2014.

The Fix Charges for water service on the 5/8” meter was updated on September 1, 2014.

G. OLD BUSINESS

2. Manager’s Report No. 15-01 – Committee Discussion on Draft Capital Outlay Budget for FY 14-15

BACKGROUND:
Ms. Yano reported that the Operating Budget was approved by the Board in June 2014. As requested, a new updated Capital Outlay budget worksheet was distributed to the Board. $7M was added under the Bond Capital Project for the proposed Līhu‘e Baseyard.

Pie Chart breakdown (page 68 iPads) – New Capital Outlay Budget categorized by its purpose:
- Expansion - $15.6M
- Capital purchases - $2.6M
- R&R projects - $13.9M + $6M = $19.9M

Pie Chart breakdown of the Capital Outlay sources (page 69 iPads):
- SRF- $4.0M
- Water Utility - $7.4M
- FRC - $4.4M
- Bond – $6.4 + $6M = $22.4M

Initially, the Līhu‘e Baseyard was listed as $1 under the approved BAB list.

Fund Balance Projects (Page 1 of 5 or Page 72 iPads)
Estimated resources - $1.3M
Total proposed project - $4.4M
FRC Fund - Negative ($3.3M) / Inter fund loan balance (deficit)
Mr. Dill commented that the Board approved Option 2 to fund the new building with $4.4M SRF and BAB of $7M but the worksheet reflected an increase of $6M BAB.

Worksheet (Page 3 of 5) – Bond Fund (Capital Projects R&R – Construction) – Ms. Yano explained that the original worksheet was $5.1M which included $1,452,000 for project Account #30-21-00-604-102 BAB – Ani-01b-'Anini Road. The revised worksheet was changed to $452,000 and added $7M instead of $1 for the Līhu'e Baseyard.

Mr. Moises explained that $1M would go to 'Anini 1b line item and added to the Capital Outlay.

Water Utility Fund (Capital Projects – R&R – Construction) (Page 2 of 5) – $1M for 'Anini 1b would be added as a line item ('Anini 1b is current but not added to Water Utility in the proposed budget.) There is enough monies in the Bond fund for "Anini and the new Capital Outlay would go up $1M.

The main goal is to spend the BAB money down first. The new Capital Outlay Water Utility General Fund of $7.397M would go to $8.397M. The $1M (from Option 1) was taken from 'Anini 1b for funding the new building. If all the design projects are completed by Mr. Aoki, the new building could be funded and construction could start. All BAB funds are accounted for without transferring from a different fund. The Bond fund balance is $101,980 (unaccounted for).

Mr. Dill moved to add line item under Capital Projects, New Appropriations, Water Utility Fund R&R Construction to add $1M for Project No. 10-21-00-604-102 for 'Anini 01b Road Water Line WL DOW-Princeville; seconded by Ms. Ho; with no objections, motion carried with 7 ayes.

Mr. Moises clarified that the “30” will change to “10” (“30” is for Bond fund, “10” is Water Utility).

Mr. Dill moved to approve as amended Manager’s Report No. 15-01 – Committee Discussion on Draft Capital Outlay Budget for FY 14-15; seconded by Mr. Shiraishi; with no objections, motion carried with 6 ayes.

I. STAFF REPORTS
MONTHLY
1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures

BACKGROUND:
Ms. Yano presented the Budget Status Summary reports of June 30, 2014.
**August 2014**

**Revenues**
- Water Sales: $54,245,015 (52,401,020) $53,183,792 $48,762,760 ($4,421,032) ($3,420,972) $73,503,322 $60,316,284
- Revenue from Public Finance Bond: 550,933 (584,667) 471,095 377,323 (-97,772) (-197,338) (-297,338)
- Other Water Revenue: 5,164,802 (4,180,847) 3,888,210 2,538,545 (-1,349,665) (-1,349,665) (-1,349,665)
- Food and Beverage Revenue: 1,303,285 (1,303,285) 1,303,285 1,303,285 0 0 0
- Service Revenue: 21,000,000 (21,000,000) 21,000,000 21,000,000 0 0 0
- Total Revenues: 3,074,200,000 (3,074,200,000) 2,539,541,100 ($444,658,900) ($17,117,900)

**Expended Revenues**
- Employee Related Expenses: 245,860,000 (245,860,000) 245,160,000 237,680,000 ($7,480,000) ($7,480,000) ($7,480,000)
- Non-Employee Related Expenses: 159,915,000 (159,915,000) 159,315,000 158,835,000 ($480,000) ($480,000) ($480,000)
- Total Expenses: 365,775,000 (365,775,000) 394,475,000 396,515,000 ($2,040,000) ($2,040,000) ($2,040,000)

**Fund Balance**
- January 1, 2014: 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000
- Close of the Year: 3,074,200,000 (3,074,200,000) 2,539,541,100 ($444,658,900) ($17,117,900)

**Total Employees-Related Expenses**
- 245,860,000 (245,860,000) 245,160,000 237,680,000 ($7,480,000) ($7,480,000) ($7,480,000)

**Total Services**
- Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0
- Other Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0
- Total Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0

**Total Revenues**
- 3,074,200,000 (3,074,200,000) 2,539,541,100 ($444,658,900) ($17,117,900)

**Total Expenses**
- 365,775,000 (365,775,000) 394,475,000 396,515,000 ($2,040,000) ($2,040,000) ($2,040,000)

**Fund Balance**
- January 1, 2014: 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000
- Close of the Year: 3,074,200,000 (3,074,200,000) 2,539,541,100 ($444,658,900) ($17,117,900)

**Total Employees-Related Expenses**
- 245,860,000 (245,860,000) 245,160,000 237,680,000 ($7,480,000) ($7,480,000) ($7,480,000)

**Total Services**
- Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0
- Other Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0
- Total Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0

**Total Revenues**
- 3,074,200,000 (3,074,200,000) 2,539,541,100 ($444,658,900) ($17,117,900)

**Total Expenses**
- 365,775,000 (365,775,000) 394,475,000 396,515,000 ($2,040,000) ($2,040,000) ($2,040,000)

**Fund Balance**
- January 1, 2014: 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000
- Close of the Year: 3,074,200,000 (3,074,200,000) 2,539,541,100 ($444,658,900) ($17,117,900)

**Total Employees-Related Expenses**
- 245,860,000 (245,860,000) 245,160,000 237,680,000 ($7,480,000) ($7,480,000) ($7,480,000)

**Total Services**
- Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0
- Other Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0
- Total Services: 515,572,000 (515,572,000) 515,572,000 515,572,000 0 0 0

**Total Revenues**
- 3,074,200,000 (3,074,200,000) 2,539,541,100 ($444,658,900) ($17,117,900)

**Total Expenses**
- 365,775,000 (365,775,000) 394,475,000 396,515,000 ($2,040,000) ($2,040,000) ($2,040,000)

**Fund Balance**
- January 1, 2014: 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000 21,180,000
- Close of the Year: 3,074,200,000 (3,074,200,000) 2,539,541,100 ($444,658,900) ($17,117,900)
Mr. Dill moved to “Receive for the Record” the Monthly Budget Summary vs. Actual Summary as of July 31, 2014; seconded by Ms. Ho; with no objections, motion carried with 7 ayes.

The Monthly Budget Summary vs. Actual Summary as of July 31, 2014 was generated from the new financial accounting system. This report replaced the format of the budget which is more current. The report shows the original budget, the Supplemental budget is revised in the second column and the actual spending for the month. Mr. Dill thanked Ms. Yano and Ms. Nadatani-Mendez who created the report.

Mr. Shiraishi moved to receive Statement of Kaua‘i County Water Department’s Revenues and Expenditures; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

At 12:25 p.m., Mr. Dahilig moved to go into Executive Session and read J2, J3, & J4; seconded by Mr. Shiraishi; with no objections, motion carried with 6 Ayes at Roll Call: LH, RM, SS, MD, LD, CN

J. **EXECUTIVE SESSION**

2. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(2) & (4) and the Office of the County Attorney, on behalf of the Board, requests an executive session with the Board, to consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved, provided that if the individual concerned requests an open meeting, an open meeting shall be held; and to consult with the Board’s attorney regarding questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities as it relates to this agenda item, and to deliberate and take such action as deemed appropriate.

3. Pursuant to Hawaii Revised Statutes Sections 92-4, 92-5(a)(4), the purpose of this executive session is to provide the Board of Water with a briefing regarding the process of hiring a new Manager and Chief Engineer. Furthermore, this briefing and consultation with the Board of Water’s legal counsel involves the powers, duties, privileges and/or liabilities of the Board of Water as it relates to this agenda item.

4. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(6), the purpose of this executive session is for the Board to consider sensitive matters related to public safety and security, namely to review and discuss Emergency Standard Operating Procedures No. 15 and No. 16 relating to Boil Water and Do Not Drink Water Advisories. These Emergency Standard Operating Procedures are exempted from public disclosure pursuant to HRS 92F 13(3)(4) and US Public Health Security and Bioterrorism Preparedness Response (2002) (Public Law 107-188).

At 1:28 p.m., Chair Nakaya reconvened the Regular Board Meeting.

Acting Manager and Chief Engineer, Mr. Saiki added that KMH, LLC auditors will be at the Department in September. The audit is due to the County by November 15, 2014. A Special Board meeting was tentatively scheduled for November 5th or 6th.

Chair Nakaya ordered Agenda Items K, L, & M to be accepted; with no objections.

K. **TOPICS FOR NEXT WATER BOARD MEETING** (September 2014)

1. Manager’s Report 15 - 03 – Discussion and Approval to Negotiate Proposed Agreement with the Honolulu Board of Water Supply (HBWS) to furnish Computer Services for the use of the Customer Care & Billing (CC&B) Program

3. **Manager’s Report No. 15-XX** – Discussion and Approval of Proposed Delegation of Meter Restriction Board Policy

4. **Manager’s Report No. 15-XX** – Discussion and Approval to Amend the Operating Budget FY 14-15

5. **Manager’s Report No. 15-XX** - Discussion and Adoption of FY 14-15 Budget Resolution No. 15-1


**L. TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Discussion and Suggestions for Capital Improvement Projects (CIP) for 2015 *(October 2014)*

2. **Manager’s Report No. 11-28** – Discussion and Receipt of Part 5 of the Rules, Facilities Reserve Charge – Proposed New Rule, SBRRB Results *(awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)* *(October 2014)*

3. **Manager’s Report No. 14-24** – Discussion and Receipt of Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results *(awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)* *(October 2014)*

4. Draft Annual Audit for FY 13-14 *(November 2014)*

**M. UPCOMING EVENTS**

1. Table of Organization Workshop *(Date Pending)*

2. Make a Splash, Water Education for Teachers (WET) *(September 18, 2014)*

3. HWWA 2014 Conference, Kaua‘i, HI *(October 15-17, 2014)*

4. DOW Annual Meeting *(December 12, 2014)*

5. AWWA Annual Conference, Anaheim, CA *(June 7-10, 2015)*

**N. NEXT WATER BOARD MEETING**

1. Thursday, September 25, 2014, 10:00 a.m.

2. Thursday, October 23, 2014, 10:00 a.m.

3. Thursday, November 20, 2014, 10:00 a.m.

4. Thursday, December 18, 2014, 10:00 a.m.

**O. ADJOURNMENT**

Mr. Dill moved to adjourn the meeting at 1:30 p.m.; seconded by Mr. Shiraishi; with no objections.

Respectfully submitted, 

Edie Ignacio Neumiller 
Commission Support Clerk

Approved, 

Hugh A. Strom 
Secretary – Board of Water Supply
MEETING MINUTES  
BOARD OF WATER SUPPLY  
Thursday, September 25, 2014

The Board of Water Supply, County of Kaua‘i, met in regular meeting at the Board Conference Room in Līhu‘e on Thursday, September 25, 2014. Chairperson Clyde Nakaya called the meeting to order at 10:06 a.m. The following Board members were present:

BOARD:  
Mr. Clyde Nakaya, Chairperson  
Mr. Sherman Shiraishi, Vice Chair  
Mr. Hugh Strom  
Mr. Raymond McCormick  
Mr. Michael Dahilig  
Ms. Laurie Ho  

EXCUSED: Mr. Larry Dill  

Quorum was achieved with 6 members present at the time of roll call.

STAFF:  
Mr. Kirk Saiki  
Mr. Val Reyna  
Ms. Marites Yano  
Mr. Keith Aoki  
Mr. Eddie Doi  
Ms. Regina Flores  
Ms. Sandi Nadatani-Mendez  
Ms. Kim Tamaoka  
Ms. Mary-jane Akuna  
Deputy County Attorney, Andrea Suzuki  

GUESTS:  
Deputy County Attorney, Ian Jung  
Mr. Mark Valencia, represented Mr. Chris Singleton, Makaleha Gardens Subdivision  
Mr. Chris Singleton, Managing Member, Makaleha Gardens Subdivision  
Ms. Kacy Chatfield, Makaleha Gardens, LLC  
Ms. Justine Duarte, Private Citizen  
Mr. Hall Parrott, Private Citizen  
Mr. Galen Nakamura, represented Safeway  
Mr. Clifford N. Mukai, W.S. Unemori Engineering, Inc.  

ACCEPTANCE OF AGENDA  
Chair Nakaya ordered to amend the agenda to move New Business Item #6 Discussion and Possible Action on the Appointment of a Hearings Officer as it Relates to the Petition to Appeal the Decision of the Water Department Regarding TMKs (4)-6-06:17, 19, and 20 for Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton prior to Correspondence and Announcements.  

Ms. Ho moved to amend the agenda; seconded by Mr. Strom; with no objections; motion was carried with 6 ayes.  

Mr. Shiraishi moved to amend the agenda to move up New Business Item #5 Manager’s Report No. 15-13 – Discussion and Possible Action on the Agreement Concerning Demolition of Department of Water,
MEETING MINUTES

Review and approval of:
Regular Board Meeting – August 28, 2014
Ms. Ho moved to defer the Regular Board Meeting minutes of August 28, 2014 to check on the vote count on page 7; seconded by Mr. Dahilig; with no objections; motion was carried with 6 ayes.

Review and approval of Executive Session:
Executive Session – August 28, 2014
Mr. Dahilig moved to approve the Executive Session minutes of August 28, 2014; seconded by Mr. McCormick; with no objections; motion was carried with 6 ayes.

H. NEW BUSINESS

6. Discussion and Possible Action on the Appointment of a Hearings Officer as it Relates to the Petition to Appeal the Decision of the Water Department Regarding TMKs (4)-6-06:17, 19, and 20 for Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton

Chair Nakaya requested the petitioner, Mr. Mark Valencia, representing Makaleha Gardens and the Department’s representative Deputy County Attorney, Andrea Suzuki to provide their testimony regarding a petition for a Declaratory Ruling pursuant to Section 7 of the Board that granted a hearing on this matter from its last Board meeting (August 28, 2014). The Board will decide at this meeting who will preside over the contested case hearing.

The Board has three (3) options:
1) To conduct a hearing before the entire Board.
2) Appoint a Board member as a hearings officer.
3) Hire a hearings officer through a procurement contract.

Deputy County Attorney, Ian Jung explained the options:
1) If the Board conducts the hearing before the entire Board, the Chair would serve as the actual presiding officer/hearings officer to control the proceedings.
2) If the Board elects to choose a hearings officer amongst the Board members, that Board member could:
   a) Take the evidentiary portion of the hearing and make recommendations after both parties submit their Findings of Fact and Conclusions of Law. The Board would then make a recommendation to the full Board. The Board member that makes the recommendation must recuse himself/herself from the full Board in the decision making process.
   b) If an appointed Board member serves as the hearings officer, that Board member would facilitate the evidentiary hearing portion. Both parties would submit their Findings of Fact and Conclusions of Law to the full Board.
3) If the Board does a procurement contract to hire a hearings officer under a Professional Service Contract, it would go through the procurement process which would take some time.

The hearings officer has the authority to make rulings on the evidentiary issues to make the process go smoothly.
Mr. Mark Valencia provided his testimony representing Mr. Chris Singleton, Makaleha Gardens Subdivision.

Mr. Valencia specified Mr. Chris Singleton reduced his request on the meter requirement from six (6) meters to four (4) meters. On the options presented, Mr. Valencia never experienced a Board member as a hearings officer. He preferred a hearings officer or for the full Board to hear the matter to evaluate testimony collectively versus written submittals of Findings of Fact and Conclusions of Law.

Mr. Valencia commented that mediation is a good idea for both parties to discuss the matter at the same table and to come to a conclusion (Hawai'i Revised Statutes 91-8.5).

DISCUSSION:
Deputy County Attorney, Ian Jung stated the Board could stipulate the Department and the petitioner to go into a mediation session where the matter could be resolved. During a pre-hearing conference, the parties could set a mediation session before the parties start gathering their witness list and pre-hearing statements.

Another option is for the Board to set a hearing date. Both parties could also have an initial meeting to discuss issues before a mediator is selected or they could select a volunteer mediator. Both parties could agree on a mediator (not a Board member). If a mediator is hired, the Board needs to go through the procurement process (could take up to 11 months).

Mr. Valencia preferred to have an informal meeting so that the Department could formally explain why the petitioner does not comply with the preliminary subdivision approval.

Deputy County Attorney, Ian Jung explained that a petition is filed to hold a pre-hearing conference. The hearings officer would order pre-hearing statements outlining the issues.

Mr. Chris Singleton, Managing Member Makaleha Gardens Subdivision provided his testimony.

Mr. Singleton asked the Board if he has the 1” and 5/8” water meter rights today.

Mr. Dahilig requested a Point of Order because Mr. Singleton’s question pertained to the evidentiary elements that could be heard at the contested case hearing.

Deputy County Attorney, Ian Jung commented that testimonies should be limited to the contested case hearing scheduling and the appointment of a hearings officer.

Mr. Shiraishi moved to defer the Discussion and Possible Action on the Appointment of a Hearings Officer as it Relates to the Petition to Appeal the Decision of the Water Department Regarding TMsKs (4)-6-06:17, 19, and 20 for Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton until the October Board meeting for the Petitioner and the Department to discuss the mediation process; seconded by Mr. Dahilig.

Mr. Shiraishi clarified that the mediation is non-binding and is resolved with a settlement through mediation and he did not want to involve the Board. Chair Nakaya agreed with Mr. Shiraishi on a mediation session.

Mr. Shiraishi withdrew his 1st motion; Mr. Dahilig withdrew his 2nd motion.
Mr. Dahilig was concerned that the petition may incomplete regarding the relief on the temporary subdivision approval. The Board granted a contested case hearing and relief is still not defined. Mr. Dahilig was unsure if the Board should grant the petitioner a contested case hearing.

Deputy County Attorney, Ian Jung explained when petitions are filed, they may not have all the relevant facts and a petition may resurface again if it is appealed.

At 10:31 a.m., Mr. Dahilig read the following Executive Session language.

Mr. Dahilig moved to go into Executive Session; seconded by Mr. Strom; with no objections, motion carried with 6 ayes at Roll Call (LH, HS, RM, SS, MD, CN).

J. EXECUTIVE SESSION

Pursuant to H.R.S. §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

3. Pursuant to Hawai‘i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a briefing and consultation with regards to Agenda Item H6 and the procedures regarding appointment of a hearings officer pursuant to Department of Water Rules and Regulations, Part I, Section 1 (5)(e). (Petition to Appeal the Decision of the Water Department regarding TMK (4)-6-06:17, 19, and 20, Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton). This briefing and consultation with the Board’s counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board as they relate to this agenda item.

At 10:57 a.m., Mr. Shiraishi exited the meeting.

At 11:00 a.m., Mr. Shiraishi re-entered the meeting.

At 11:00 a.m., Chair Nakaya reconvened the Regular Board meeting.

H. NEW BUSINESS

6. Discussion and Possible Action on the Appointment of a Hearings Officer as it Relates to the Petition to Appeal the Decision of the Water Department Regarding T MKs (4)-6-06:17, 19, and 20 for Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton

Mr. Singleton apologized for his earlier comments to the Board.

Mr. Dahilig moved to have petitioner and the Department enter into a 30-day mediation period by the next Board meeting to revisit this matter; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 ayes.

5. Manager’s Report No. 15-13 – Discussion and Possible Action on the Agreement Concerning Demolition of Department of Water, County of Kauai Potable Storage Tanks Between Property Development Centers, LLC and the Board of Water Supply – Demolition of Grove Farm Tanks
BACKGROUND:

Acting Manager and Chief Engineer, Mr. Saiki recommended the Board approve the “Agreement Concerning Demolition of Department of Water (DOW), County of Kauai Potable Storage Tanks” between Property Development Centers, LLC and the Board of Water Supply at the Safeway site.

Mr. McCormick moved to approve Manager’s Report No. 15-13 – Discussion and Possible Action on the Agreement Concerning Demolition of Department of Water, County of Kauai Potable Storage Tanks Between Property Development Centers, LLC and the Board of Water Supply – Demolition of Grove Farm Tanks; seconded by Mr. Shiraishi; with no objections, motion was carried with 6 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS

1. Correspondence from Mr. Peter Tausend, Chairperson, West Kaua'i SWCD, regarding Award Ceremony for Steve Sico, Outstanding Water Conservationist for 2014, dated September 2, 2014

At 11:03 a.m., Mr. Dahilig exited the meeting.

Ms. Ho moved to receive the correspondence from Mr. Peter Tausend, Chairperson, West Kaua'i SWCD, regarding Award Ceremony for Steve Sico, Outstanding Water Conservationist for 2014, dated September 2, 2014; seconded by Mr. Shiraishi; with no objections; motion was carried with 5 ayes.

F. BOARD COMMITTEE REPORTS

Report of the Finance Committee of the Kaua'i County Board of Water Supply


Mr. Shiraishi moved to receive Report of the Finance Committee of the Kaua'i County Board of Water Supply, 1. Manager’s Report No. 14-16 – Part 4 Section VII, Facilities Reserve Charge, Proposed Rule Amendments; seconded by Ms. Ho; with no objections; motion was carried with 5 ayes.

G. OLD BUSINESS

None

H. NEW BUSINESS

1. Manager’s Report No. 15-10 – Discussion and Possible Action of Resolution No. 15-03, Safe Drinking Water State Revolving Fund (DWSRF) for DW400-0011, Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i

BACKGROUND:

Acting Manager and Chief Engineer, Mr. Saiki requested the Board’s approval to adopt Resolution No. 15-03 to complete the DWSRF loan agreements for the Līhu'e Baseyard Improvements project.

Mr. Shiraishi moved to approve Manager’s Report No. 15-10 – and to adopt Resolution No. 15-03, Safe Drinking Water State Revolving Fund (DWSRF) for DW400-0011, Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i; seconded by Mr. McCormick; with no objections, motion carried with 5 ayes.

2. Manager’s Report No. 15-11 – Discussion and possible action on the Approval of the DOW’s Supplemental Budget FY 14-15
BACKGROUND:
The Operating Budget was approved by the Board at the Regular Board meeting on June 26, 2014. The Capital and Net Rollover Budget was approved at the August 28, 2014 Regular Board meeting.

The Capital Outlay was delayed to allow the staff and the Finance Committee time to reprioritize the capital project list to be presented to the full Board. A list of requested items was submitted for the Board’s consideration and approval (page 33 iPads).

Waterworks Controller, Ms. Yano explained that the salary budget request was for one position. The Excluded Managerial (EM) 7 position on the Supplemental Budget was partially funded and budgeted at mid-range. One position was budgeted properly because the salary increase was higher than budgeted. This position is one component with two (2) positions in one division.

A correction will be made on the description submitted for the Supplemental Budget: WU-Plan-Adm-Salaries ($76,100 – for two (2) positions) and WU-Plan-Adm-FICA ($5,822) and WU-Plan-Adm-ERS ($11,796) are the corresponding employee fringe benefits associated with the proposed salary supplemental budget.

Mr. Shiraishi moved to approve as amended Manager’s Report No. 15-11 – Discussion and possible action on the Approval of the DOW’s Supplemental Budget FY 14-15 to include fringe benefit increases on the Supplemental Budget Request for WU-Plan-Adm-Salaries and WU-Plan-Adm-FICA; seconded by Mr. McCormick; with no objections, motion carried with 5 ayes.

3. Discussion and Possible Action of Resolution No. 15-01, the DOW’s FY 14-15 Budget

BACKGROUND:
Acting Manager and Chief Engineer, Mr. Saiki recommended that the Board adopt Resolution No. 15-01, DOW’s FY 14-15 Budget which included the Supplemental Budget.

Mr. Shiraishi moved to approve and adopt Resolution No. 15-01, the DOW’s FY 14-15 Budget; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

4. Manager’s Report No. 15-12 – Discussion and Possible Action of Resolution No. 15-04, Request to Expend funds from the American Resort Development Association (ARDA) for the 2014 Make a Splash (MAS), Project WET Water Festival

Chair Nakaya thanked Public Relations Specialist, Ms. Kim Tamaoka for the successful 2014 MAS, Project WET Water Festival. Vice Chair, Mr. Shiraishi and Ms. Ho participated during the festival.

Mr. Shiraishi moved to approve Manager’s Report No. 15-12 – Discussion and Possible Action of Resolution No. 15-04, Request to Expend funds from the American Resort Development Association (ARDA) for the 2014 Make a Splash (MAS), Project WET Water Festival; seconded by Mr. McCormick; with no objections, motion carried with 5 ayes.

I. STAFF REPORTS
MONTHLY
1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures
BACKGROUND: Waterworks Controller, Ms. Yano presented the new Monthly Budget Summary vs. Actual report format. The report did not include the Capital Budget because when the report was uploaded and the accounting program was not updated. Ms. Yano will highlight major expenses with an explanation on the future Monthly Budget Summary vs. Actual report.

Ms. Ho moved to receive the Statement of Kaua‘i County Water Department’s Revenues and Expenditures; seconded by Mr. Strom; with no objections, motion carried with 5 ayes.

2. Report by the Public Relations Specialist on Public Relations Activities

BACKGROUND: Public Relations Specialist, Ms. Tamaoka thanked all the volunteers for participating in MAS. This year was the largest MAS attendance with 750 5th grade students in attendance. A full report on MAS will be presented at the October Board meeting.

Ms. Ho moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Strom; with no objections, motion carried with 5 ayes.


BACKGROUND: Mr. Reyna commented that the contractor who was sent to repair the Kīlauea Well recently returned to continue repairs on Well #1 in Kalāheo. During the repairs, the contractor’s equipment experienced failure. As of today, the equipment is okay and the temporary pump is being pulled out of Well #1 which will be completed this week. Within three (3) days, the installation of the new pump will be completed. Both pumps in Well #1 and Well #2 will be in full operation. The temporary line will also be pulled when Well #1 is in operation. There will be a no cost time extension to complete the repairs.

Mr. Strom moved to receive the Chief of Operation’s Summary Report on Monthly Operational Activities Report; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

4. Manager’s Monthly Update Regarding Activities of Note of the Kaua'i County Water Department

BACKGROUND: Acting Manager and Chief Engineer, Mr. Saiki highlighted the following:

1. **Summary of Warrant Vouchers Paid:** $2,369,760.74.
2. **Council Meeting Correspondence Update:** The Department provided a response to Council’s questions on Friday, September 19th.

Mr. Strom moved to receive the Manager’s Monthly Update Regarding Activities of Note of the Kaua'i County Water Department; seconded by Mr. McCormick; with no objections, motion carried with 5 ayes.

   a. Report of the BAB pay down as of July 2014
Mr. Strom moved to receive the BAB pay down as of July 2014; seconded by Mr. McCormick; with no objections, motion carried with 5 ayes.

At 11:15 a.m., Deputy County Attorney, Andrea Suzuki read the Executive Session language.

Mr. Shiraishi moved to go into Executive Session; seconded by Ms. Ho; with no objections, motion carried with 5 ayes at Roll Call (LH, HS, RM, SS, CN).

**J. EXECUTIVE SESSION**

1. Pursuant to Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated August 28, 2014. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item. [Approved in open session]

2. Pursuant to Hawaii Revised Statutes Sections 92-4, 92-5(a)(4), the purpose of this executive session is to provide the Board of Water with a briefing regarding the process of hiring a new Manager and Chief Engineer. Furthermore, this briefing and consultation with the Board of Water’s legal counsel involves the powers, duties, privileges and/or liabilities of the Board of Water as it relates to this agenda item.

At 11:35 a.m., Chair Nakaya reconvened the Regular Board meeting.

Agenda Items K, L, & M was accepted with no objections.

**K. TOPICS FOR NEXT WATER BOARD MEETING (October 2014)**

1. Discussion on suggestions for Capital Improvement Projects (CIP) for 2015 Legislative Session
2. Manager’s Report 15 - 03 – Discussion and Possible Action to Negotiate Proposed Agreement with the Honolulu Board of Water Supply (HBWS) to furnish Computer Services for the use of the Customer Care & Billing (CC&B) Program
4. Discussion and Possible Action of Proposed Delegation of a Meter Restriction Board Policy
5. Discussion and Possible Action on the Appointment of a Hearings Officer as it Relates to the Petition to Appeal the Decision of the Water Department Regarding TMKs (4)-6-06:17, 19, and 20 for Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton

**L. TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Discussion and Possible Action on the DOW’s Draft Annual Audit for FY 13-14 (Special Board Meeting, November 5, 2014)
2. Manager’s Report No. 11-28 – Discussion and Possible Action regarding Part 5 of the Rules, Facilities Reserve Charge – Proposed New Rule, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
3. Manager’s Report No. 14-24 – Discussion and Possible Action regarding Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)

At 11:40 a.m., Mike Dahilig re-entered the meeting.
4. Billing Reconciliation Standard Operating Procedures (SOP)
5. Emergency Standard Operating Procedures (SOP)

M. **UPCOMING EVENTS**
1. Table of Organization Workshop (Manager’s Update to include updated TO)
2. HWWA 2014 Conference, Kaua'i, HI *(October 15-17, 2014)*
3. DOW Annual Meeting *(December 12, 2014)*
4. AWWA Annual Conference, Anaheim, CA *(June 7-10, 2015)*

N. **NEXT WATER BOARD MEETING**
1. Thursday, October 23, 2014, 10:00 a.m.
2. Wednesday, November 5, 2014, *Special Board Meeting, 1:00 p.m.*
3. Thursday, November 20, 2014, 10:00 a.m.
4. Thursday, December 18, 2014, 10:00 a.m.

O. **ADJOURNMENT**

Mr. Shiraishi moved to adjourn the meeting at 11:44 a.m.; seconded by Ms. Ho; with no objections.

Respectfully submitted,  
Approved,

Edie Ignacio Neumiller  
Commission Support Clerk

Hugh A. Strom  
Secretary – Board of Water Supply
G. OLD BUSINESS

1. Discussion and Possible Action on the Appointment of a Hearings Officer as it Relates to the Petition to Appeal the Decision of the Water Department Regarding TMKs (4)-6-06:17, 19, and 20 for Subdivision No. S-2013-23, Makaleha Gardens LLC., filed by Christopher Singleton

PENDING

Verbal Report
New Business

WHEREAS, your enthusiasm, professionalism and interaction with the students exemplified great leadership and qualities that created a calm and confident atmosphere; and

WHEREAS, you were once again successful in promoting water education in a fun, hands-on manner to the students of Kaua’i; and

WHEREAS, you played an instrumental role in building awareness of our most precious natural resource by planting the seeds of knowledge into the minds of our children, to live in harmony on this beautiful island we call home; and

WHEREAS, your participation and sponsorship in this event results in helping children make the connection between the source of the water they use and the ways their water habits affect their health and the environment, so that they can begin to truly cherish water and will engage with their family members to do the same; and

WHEREAS, your participation and sponsorship in this event results in helping children make the connection between the source of the water they use and the ways their water habits affect their health and the environment, so that they can begin to truly cherish water and will engage with their family members to do the same; and

WHEREAS, we know we can count on you to be involved in future Make a Splash with Project WET Water Festivals; therefore

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUA’I, STATE OF HAWAI’I in recognition of your outstanding service and commitment to the Department of Water and our Garden Island community, does hereby extend, a heartfelt Mahalo for the contributions made as part of the 2014 Make a Splash Water Festival.

BE IT FURTHER RESOLVED that a copy of this Resolution is forwarded to all participants and sponsors.

We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on October 23, 2014.

_____________________________________________________
Clyde Nakaya, Chairperson

~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
Hugh A. Strom, Secretary
MANAGER’S REPORT No. 15-14

October 23, 2014


RECOMMENDATION:
It is recommended that the Board not approve the applicant’s request to reallocate 120,000 gpd source capacity from A&B Properties’ Eleele Industrial Park Subdivision TMK: 2-1-01:51 to A&B Properties’ proposed residential development on TMK: 2-1-01:Por. 3, Eleele, Kauai.

FUNDING: N/A

BACKGROUND:
Exhibit 1: Board minutes for Board meetings dated May 8, June 5, July 15, August 14 and September 16, 2008.

The Board at its July 15, 2008 Board meeting motioned and approved the applicant’s request for industrial source only of 0.12 MGD per MDD source capacity for proposed 31 lot industrial subdivision. (See Exhibit 1: July 15, 2008 Board meeting minutes.)

The Board at its September 16, 2008 Board meeting denied the Department’s request for “Board approval for reconsideration and clarification of the Motion made at the July 15, 2008 Board meeting.” The Department’s request for reconsideration and clarification of Motion was to request that Board should develop a policy related to allocation of water supply and basis for water availability, which will establish the criteria for departure for the Department’s procedures and practices. (See Exhibit 1: September 16, 2008 Board meeting minutes.)

Land use, zoning, subdivision applications and DOW’s comments for development area that received Board approval for 0.12 MGD industrial source:

- The proposed development is located east of Waialo Road in Eleele and further identified as TMK:2-1-1:Por. 3. The area was previously used to grow sugar cane and zoned Agricultural. (Exhibit 2: Map showing TMK parcel location.)

- The subject property were subject to a Petition for Amendment to the State Land use District Boundaries to reclassify certain lands from Agricultural to Urban in 1990 (Petition A90-654 by A&B Properties, Inc.).

The DOW did not have any objections to the petition provided that water source, storage and transmission facilities are upgraded prior to actual development or subdivision of this area. The DOW also stated that this petition is outside the service area for which the Department’s General Plan for Domestic Water was prepared. New source, storage and transmission water
system facilities will have to be developed to service the additional water demands of this area. (Exhibit 3:  DOW comments to Petition A (90-654))

- In 1994, the zoning designation for that certain area in Port Allen, Kauai, identified as TMK:2-1-1:03, as shown on map attached was amended from “Agricultural District (A)” to “General Industrial District (IG)” through Ordinance No. PM-293-94, Bill No. 1641. The amendment was subject to conditions, one of which is:

> “As recommended by the Department of Water (DOW), the Petitioner shall construct water improvements, which may include a storage tank, connecting pipeline facilities, and adequate transmission facilities. The Petitioner shall resolve these requirements…” (Exhibit 4: Copy of Ordinance No. PM-293-94, Bill No. 1641 that includes DOW comments and map of affected area)

- In 1995, a subdivision application, S-95-43 was submitted to the Planning Department. Subdivision application, S-95-43 was a proposed 2 lot subdivision of TMK:2-1-1:3.

DOW comments for S-95-43 required the FRC charges for 2 lots. Installation of service connection was not required to be installed at that time. Subdivision appears to have been treated as a large lot subdivision (subdivision of large parcel into a parcel that is planned to be developed with a large remainder parcel). (Exhibit 5:  DOW subdivision report for S-95-43 with map)

- In 1995, a subdivision application, S-96-28 was submitted to the Planning Department. S-96-28 was a proposed 40-lot Industrial subdivision of TMK:2-1-1:3. Parcel 3 was created from S-95-43. According to the Planning Department, S-95-43 was declared null and void effective February 23, 2001.

DOW comments for S-96-28 conveyed that the proposed development is located outside of the service area for which the Department’s General Plan for Domestic Water was prepared. Prior to the DOW recommending approval, the developer is required to prepare and receive DOW approval of a Water Master Plan for full development of this area. The developer is required to provide additional source, storage and transmission facilities as required in the approved Water Master Plan for this area. The developer was required to also complete other conditions. (Exhibit 6:  DOW subdivision report for S-96-28 with map)

- In 2008, a Special Management Area use Permit Application SMA(U)-2008-17 was submitted to the Planning Department to develop a 29-lot industrial subdivision on Lot 3-A-1, TMK:2-1-1:51.

DOW comments for SMA(U)-2008-17 conveyed that if this area is developed, new source, storage, and transmission facilities will be required to serve the additional demand for this area. Prior to consideration of subdivision approval, the Developer shall prepare and receive Department of Water approval of a Water master plan for full development of the area and will be required to provide necessary source, storage and transmission facilities as required in the approved Water Master Plan. Other conditions may apply and will be addressed at the time of subdivision application/review. (Exhibit 7: DOW report for SMA(U)-2008-17)
• In 2008, a Subdivision application S-2009-1 was submitted to the Planning Department for a 32 lot subdivision.

DOW comments for S-2009-1 conveyed the applicant to prepare and receive Department of water approval of a Water Master Plan for full development of this area. Construct necessary water system facilities as required in the approved Water Master Plan. Water system facilities shall include but not be limited to additional source, storage and transmission facilities. (Exhibit 8: DOW report for S-2009-1)

• In 2012, a Class IV Zoning Permit Z-IV-2012-11 application was submitted to the Planning Department for a proposed Solar Photovoltaic Farm on TMK:2-1-1:51.

(Exhibit 9: DOW comments dated 1/1/12)

FINDINGS

Related to present request to reallocate water capacity approved for industrial use from Eleele Industrial Park Subdivision on TMK: 2-1-01:051 to the proposed 28-acre Eleele Urban Residential Development on TMK: 2-1-01:Por. 3, A&B Properties, Inc.:

Information / DOW procedures and practices:
The subject 28-acre Eleele Urban Residential Development 2-1-1:Por. 3 is not considered part of the Eleele water service area by the Department and was/is obligated under conditions of their zoning to develop water supply infrastructure that meets DOW standards. (Ref: Water Plan 2020 Chapter 3, Water Service Areas, Pg. 3-2) The Water Plan 2020 water service area for the Hanapepe-Eleele system is defined as areas that are serviced by the existing water system facilities. The service area is generally limited to the areas that have appropriate planning and zoning approvals in place. Water service is generally available within the service area unless system infrastructure improvements are needed to provide adequate water supply without detrimentally affecting the existing water consumers.

The subject development is located in an area that was planned and zoned for future urban development. The developers of this project are obligated under conditions of their zoning to develop the necessary potable water system infrastructure.

Although the Department’s Water Plan 2020 was adopted in 2001, the “development area” was earlier conditioned by prior SLUD, County Zoning and General Plan Amendment, zoning and special management use permit and subdivision water conditions that stated that the development/petition areas was located outside of the service area for which the Department’s General Plan for Domestic Water was prepared. The condition also stated that new source, storage, and transmission water system improvement will have to be developed to serve the additional water demand of the area.

• In 2005, a Zoning Amendment, ZA-2005-2 was submitted to the Planning Department to amend approximately 28 acres of TMK:2-1-1:Por.3 from Agricultural to Commercial-Neighborhood (6.94 acres) and Agricultural to Residential R-10 zoning (21.65 acres).

DOW did not have any objections; however the applicant was made aware that the proposed zoning amendment area is located outside of the DOW service area. Prior to development of the area, new source, storage and transmission water system facilities will be required to serve the additional water demands for this area. (Exhibit 10: DOW report to Planning dated 4/5/05 for ZA-2005-2 with map)
DOW RULES AND REGULATIONS: The DOW Rules and Regulations that apply to this situation are described below:

Part 2, Section II – General Conditions, item 1.a.: “Any prospective consumer may obtain water service provided all of the following conditions are met: a. In the event that service limits are established by the Department that the premises are within these limits.

Part 3, Section II – Availability of Water and Approval of Subdivision Map, Item 2.: “In areas where there is no public water supply available, or where large quantities of water are required or a large investment is necessary to provide service, the subdivider will be informed as to the conditions under which the subdivision may be approved and, where appropriate, refunds made.”

System Source Capacity for the Eleele water system is obtained from the Hanapepe water system. Water from Hanapepe Wells is pumped up to the Eleele water system by booster pumps located in Hanapepe Valley. The capacity of these booster pumps are currently used as the source capacity for the Eleele area. Both the Hanapepe and Eleele Water Systems have their own storage and transmission facilities. The DOW generally analyzes each system separately, although both are analyzed together for larger developments to make sure that the source and transmission facilities supplying the Hanapepe service area are Adequate.

EXISTING STATUS:
The following shows the status of the Eleele Water System and the combined Hanapepe-Eleele Water Systems based on 2011 consumption data. All demands shown are based on maximum day demand (MDD) figures.

Existing Status of DOW Eleele Water System:
- Current demand: 0.593 mgd
- Pending demand: 0.089 mgd
- Total demand: 0.682 mgd
- Source Capacity Eleele: 1.080 mgd
- Storage Capacity Eleele: 1.000 mgd

Available Source Capacity Eleele: 1.080 mgd – 0.682 mgd = 0.398 mgd
Available Storage Capacity Eleele: 1.000 mg – 0.682 mg = 0.318 mg

Existing Status of the combined DOW Hanapepe-Eleele Water System:
- Current demand: 1.157 mgd
- Pending demand: 0.089 mgd
- Total demand: 1.246 mgd
- Source Capacity Hanapepe-Eleele: 1.728 mgd
- Storage Capacity Hanapepe-Eleele: 2.000 mgd

Available Source Capacity Hanapepe-Eleele: 1.728 mgd – 1.246 mgd = 0.482 mgd
Available Storage Capacity Hanapepe-Eleele: 2.000 mg – 1.246 mg = 0.754 mg

OPTIONS:
1 – Approve Recommendation
Pros:
- A&B would be allowed to have source capacity for their proposed residential development from the DOW.
Cons:
- Not be consistent with present DOW Policy on how developments are analyzed and recommendation made. The Board should develop a policy related to allocation of water supply and basis for water availability which will establish the criteria for departure from the DOW’s procedures and practices.
- Allow developments that are outside of the DOW’s service area to not provide new source, storage and transmission facilities for proposed developments.
- Reduce the amount of water available for development within the DOW’s water service zone that was identified in the DOW’s “A General Plan for Domestic Water, Island of Kaua’i.”

2 – Disapprove Recommendation

Pros:
- Applicant would be required to fulfill its obligation as identified in their petition for District Boundary Amendments.
- Allow existing system infrastructure capacity to be utilized by developments within the full growth service zone for which the system infrastructure was created to service.
- Consistent with present DOW procedures and practices.

Cons:
- A&B would not be allowed to have some source capacity for their proposed residential development from the DOW.

Respectfully submitted,

Edward Doi, Civil Engineer VI
Water Resources & Planning

CONCURRED:

Kirk Saiki, P.E.
Acting Manager and Chief Engineer

Attachments:
- Exhibit 2 – Location Map
- Exhibit 3 – DOW comments to Petition A90-654
- Exhibit 4 – Copy of Ordinance No. PM-293-94, Bill No. 1641 that includes DOW comments and map of the affected area
- Exhibit 5 – DOW subdivision report for S-93-43 with map
- Exhibit 6 – DOW subdivision report for S-96-28 with map
- Exhibit 7 – DOW comment for SMA(U)-2008-17 with map
- Exhibit 8 – DOW subdivision report for S-2009-1 with map
- Exhibit 9 – DOW comments for Z-IV-2012-11
- Exhibit 10 – DOW comment for ZA-2005-2 with map

Correspondence from Mr. Tom Shigemoto, Vice President, A&B Properties, Inc., Reallocation of Water Commitment from Eleele Industrial Park Subdivision, TMK: (4)2-1-001:051 to 28-acre Eleele Urban Residential Development (4) 2-1-001: Por.3 Eleele, Kōloa, Kaua'i, A&B Properties, Inc., owner (RBM 6-26-14)
MANAGER’S REPORT No.
July 30, 2014


RECOMMENDATION:
It is recommended that the Board not approve the applicant’s request to reallocate 120,000 gpd source capacity from A&B Properties’ Eleele Industrial Park Subdivision TMK: 2-1-01:51 to A&B Properties’ proposed Residential development on TMK: 2-1-01:Por. 3, Eleele, Kauai.

FUNDING: N/A

BACKGROUND:

Exhibit 1: Board minutes for Board meetings dated May 8, June 5, July 15, August 14 and September 16, 2008.

The Board at its July 15, 2008 Board meeting motioned and approved the applicants request for industrial source only of 0.12 MGD per MDD source capacity for proposed 31 lot industrial subdivision. (See Exhibit 1: July 15, 2008 Board meeting minutes)

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Land use, zoning, subdivision applications and DOW’s comments for development area that received Board approval for 0.12 MGD industrial source:

- The proposed development is located east of Waialo Road in Eleele and further identified as TMK:2-1-1:Por. 3. The area was previously used to grow sugar cane and zoned Agricultural. (Exhibit 2: Map showing TMK parcel location)

- The subject property were subject to a Petition for Amendment to the State Land use District Boundaries to reclassify certain lands from Agricultural to Urban in 1990 (Petition A90-654 by A&B Properties, Inc.).
The DOW did not have any objections to the petition provided that water source, storage and transmission facilities are upgraded prior to actual development or subdivision of this area. The DOW also stated that this petition is outside the service area for which the Department's General Plan for Domestic Water was prepared. New source, storage and transmission water system facilities will have to be developed to service the additional water demands of this area. (Exhibit 3: DOW comments to Petition A(90-654))

- In 1994, the zoning designation for that certain area in port Allen, Kauai, identified as TMK:2-1-1:03, as shown on map attached was amended from “Agricultural District (A)” to “General Industrial District (IG)” through Ordinance No. PM-293-94, Bill No. 1641. The amendment was subject to conditions, one of which is:

  “As recommended by the Department of Water, the Petitioner shall construct water improvements, which may include a storage tank, connecting pipeline facilities, and adequate transmission facilities. The Petitioner shall resolve these requirements...” (Exhibit 4: Copy of Ordinance No. PM-293-94, Bill No. 1641 that includes DOW comments and map of affected area)

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  DOW comments for S-95-43 required the FRC charges for 2 lots. Installation of service connection was not required to be installed at that time. Subdivision appears to have been treated as a large lot subdivision (subdivision of large parcel into a parcel that is planned to be developed with a large remainder parcel). (Exhibit 5: DOW subdivision report for S-95-43 with map)

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  DOW comments for S-96-28 conveyed that the proposed development is located outside of the service area for which the Department’s General Plan for Domestic Water was prepared. Prior to the DOW recommending approval, the developer is required to prepare and receive DOW approval of a Water Master Plan for full development of this area. The developer is required to provide additional source, storage and transmission facilities as required in the approved Water Master Plan for this area. The developer was required to also complete other conditions. (Exhibit 6: DOW subdivision report for S-96-28 with map)
• In 2008, a Special Management Area use Permit Application SMA(U)-2008-17 was submitted to the Planning Department to develop a 29-lot industrial subdivision on Lot 3-A-1, TMK:2-1-1:51.

DOW comments for SMA(U)-2008-17 conveyed that if this area is developed, new source, storage, and transmission facilities will be required to serve the additional demand for this area. Prior to consideration of subdivision approval, the Developer shall prepare and receive Department of Water (DOW) approval of a Water master plan for full development of the area and will be required to provide necessary source, storage and transmission facilities as required in the approved Water Master Plan. Other conditions may apply and will be addressed at the time of subdivision application/review. (Exhibit 7: DOW report for SMA(U)-2008-17)

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(Exhibit 9: DOW comments dated 1/1/12)

FINDINGS

Related to present request to reallocate water capacity approved for industrial use from Eleele Industrial Park Subdivision on TMK: 2-1-01:051 to the proposed 28-acre Eleele Urban Residential Development on TMK: 2-1-01:Por. 3, A&B Properties, Inc.:

Information / DOW procedures and practices:
The subject 28-acre Eleele Urban Residential Development 2-1-1:Por. 3 is not considered part of the Eleele water service area by the Department and was/is obligated under conditions of their zoning to develop water supply infrastructure that meets DOW standards. (Ref: Water Plan 2020 Chapter3, Water Service Areas, Pg. 3-2) The Water Plan 2020 water service area for the Hanapepe-Eleele system is defined as areas that are serviced by the existing water system facilities. The service area is generally limited to the areas that have appropriate planning and zoning approvals in place. Water service is generally available within the service area unless system infrastructure improvements are needed to provide adequate water supply without detrimentally affecting the existing water consumers.
The subject development is located in an area that was planned and zoned for future urban development. The developers of this project are obligated under conditions of their zoning to develop the necessary potable water system infrastructure.

Although the Department’s Water Plan 2020 was adopted in 2001, the “development area” was earlier conditioned by prior SLUD, County Zoning and General Plan Amendment, zoning and special management use permit and subdivision water conditions that stated that the development/petition areas was located outside of the service area for which the Department’s General Plan for Domestic Water was prepared. The condition also stated that new source, storage, and transmission water system improvement will have to be developed to serve the additional water demand of the area.

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DOW did not have any objections; however the applicant was made aware that the proposed zoning amendment area is located outside of the DOW service area. Prior to development of the area, new source, storage and transmission water system facilities will be required to serve the additional water demands for this area. (Exhibit 10:  DOW report to Planning dated 4/5/05 for ZA-2005-2 with map)

DOW RULES AND REGULATIONS: The DOW Rules and Regulations that apply to this situation are described below:

Part 2, Section II – General Conditions, item 1.a.: “Any prospective consumer may obtain water service provided all of the following conditions are met: a. In the event that service limits are established by the Department that the premises are within these limits.

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System Source Capacity for the Elelee water system is obtained from the Hanapepe water system. Water from Hanapepe Wells is pumped up to the Elelee water system by booster pumps located in Hanapepe Valley. The capacity of these booster pumps are currently used as the source capacity for the Elelee area. Both the Hanapepe and Elelee Water Systems have their own storage and transmission facilities. The DOW generally analyzes each system separately, although both are analyzed together for larger developments to make sure that the source and transmission facilities supplying the Hanapepe service area are Adequate.
EXISTING STATUS:
The following shows the status of the Eleele Water System and the combined Hanapepe-Eleele Water Systems based on 2011 consumption data. All demands shown are based on maximum day demand (MDD) figures.

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Storage Capacity Eleele: 1.000 mgd

Available Source Capacity Eleele: 1.080 mgd − 0.682 mgd = 0.398 mgd
Available Storage Capacity Eleele: 1.000 mgd − 0.682 mgd = 0.318 mgd

Existing Status of the combined DOW Hanapepe-Eleele Water System:
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Source Capacity Hanapepe-Eleele: 1.728 mgd
Storage Capacity Hanapepe-Eleele: 2.000 mgd

Available Source Capacity Hanapepe-Eleele: 1.728 mgd − 1.246 mgd = 0.482 mgd
Available Storage Capacity Hanapepe-Eleele: 2.000 mgd − 1.246 mgd = 0.754 mgd

OPTIONS:
1 – Approve Recommendation
Pros:
- A&B would be allowed to have source capacity for their proposed residential development from the DOW.

Cons:
- Not be consistent with present DOW Policy on how developments are analyzed and recommendation made. The Board should develop a policy related to allocation of water supply and basis for water availability which will establish the criteria for departure from the DOW’s procedures and practices.
- Allow developments that are outside of the DOW’s service area to not provide new source, storage and transmission facilities for proposed developments.
- Reduce the amount of water available for development within the DOW’s water service zone that was identified in the DOW’s “A General Plan for Domestic Water, Island of Kauai”.
2 – Disapprove Recommendation
Pros:
- Applicant would be required to fulfill its obligation as identified in their petition for District Boundary Amendments.
- Allow existing system infrastructure capacity to be utilized by developments within the full growth service zone for which the system infrastructure was created to service.
- Consistent with present DOW procedures and practices.
Cons:
- A&B would not be allowed to have some source capacity for their proposed residential development from the DOW.

Attachments:
Exhibit 1 – Board Meeting Minutes for May 8, 2008; June 5, 2008; July 15, 2008; August 14, 2008; September 19, 2008 pertaining to “Request to Testify by A & B properties, Inc. for a Request for Water Service, Eleale industrial Park Subdivision TMK:2-1-1:51 and Eleale Residential Development Site, TMK:2-1-1:3, Portion, Eleale, Koloa, Kauai, Hawaii”.
Exhibit 2 – Location Map.
Exhibit 3 – DOW comments to Petition A90-654.
Exhibit 4 – Copy of Ordinance No. PM-293-94, Bill No. 1641 that includes DOW comments and map of the affected area.
Exhibit 5 – DOW subdivision report for S-95-43 with map.
Exhibit 6 – DOW subdivision report for S-96-28 with map.
Exhibit 7 – DOW comment for SMA(U)-2008-17 with map.
Exhibit 8 – DOW subdivision report for S-2009-1 with map
Exhibit 9 – DOW comments for Z-IV-2012-11.
Exhibit 10 – DOW comment for ZA-2005-2 with map.

Respectfully submitted,

Edward Doi
Water Resources & Planning

CONCURRED:

Kirk Saiki, P.E.
Acting Manager and Chief Engineer.
The Board of Water Supply, County of Kaua‘i, met in regular meeting at its office in Lihu‘e on Thursday, May 8, 2008. Chairperson Roy Oyama called the meeting to order at 10:13 a.m. On roll call, the following answered present:

**BOARD:**  
Mr. Roy Oyama, Chairperson  
Mr. Dee Crowell  
Mr. Leland Kahawai  
Mr. Steven Kyono  
Mr. Randall Nishimura

Absent & Excused:  
Mr. Ian Costa  
Mr. Donald Fujimoto

**STAFF:**  
Ms. Wynne M. Ushigome  
Mr. Paul Ganaden  
Mr. William Eddy  
Mr. Keith Fujimoto  
Mr. Bruce Inouye  
Ms. Faith Shiramizu  
Ms. Amy Esaki  
Mr. Dustin Moises  
Mr. Edward Dol  
Deputy County Attorney Mona Clark  
First Deputy County Attorney Harrison Kawata (left meeting at about 1:30 pm.)

Absent & Excused:  
Mr. Gregg Fujikawa

**GUESTS:**  
Mr. Benjamin Garfinkle, Developer (left meeting at about 1:30 pm.)  
Mr. Ben Wellborn, Mr. Garfinkle’s consultant (left meeting at about 1:30 pm.)  
Mr. Max Graham, Legal Counsel (left meeting at about 1:30 pm.)  
Mr. Tom Shigemoto, A&B Properties (left at about 2:15 p.m.)  
Mr. Thad Bond, Kukui‘ula Development LLC (left at about 2:15 p.m.)  
Mr. Lindsay Crawford, Kukui‘ula Development LLC (left at about 2:15 p.m.)  
Mr. Mike Belles, Guest (left at about 2:15 p.m.)  
Mr. Clyde Kodaani, Guest (left at about 2:15 p.m.)

**AGENDA**

Mr. Nishimura moved to re-order the agenda under New Business as follows:

1. **Request to Testify by Claudia Shay of Self-Help Housing Corporation of Hawai‘i Regarding Acquiring Building Permit Approvals for the Puhi Self-Help Subdivision, TMK: 3-3-019, Puhi, Kaua‘i**

2. **Request Board Approval of Conveyance of Water Facility from Poipu Aina Estates, LLC, for the on-site water facilities for the Poipu Aina Estates Subdivision, S-2005-13, TMK: (4) 2-8-22:002, Poipu, Kaua‘i, Hawai‘i**
Re: Request to Testify by A & B Properties, Inc. for a Request for Water Service, Ele'ele Industrial Park Subdivision, TMK: 2-1-01:051 and Elele Residential Development Site, TMK: 2-1-01:003, Portion, 'Ele'ele, Koloa, Kaua'i, Hawai'i

RECOMMENDATION:
1) It was recommended that the Board not approve the applicant’s request to include the Ele'ele Industrial Park Subdivision and Ele'ele Residential development site in the Ele'ele water service area and instead affirm the Department’s recommendations that was made for various land use designation, zoning amendment, and SMA(U) permit and subdivision applications that indicated that the development area is outside the service area for which the Department’s General Plan for Domestic Water was prepared.

2) It was recommended that the Board not approve the applicant’s request and to use the existing water source and storage capacity from the Department’s existing water system facilities and instead require the applicant to prepare and receive Department approval for a water master plan for full development of the A&B 72-acre ‘Ele’ele multi-use development that was conditioned by the various State and County agencies prior to final subdivision or building permit approvals.

FUNDING: N/A

FINDING:
1) The subject 72-acre A&B “development area” is not considered as part of the ‘Ele’ele water service area by the Department and was/is obligated under conditions of their zoning to develop water supply infrastructure that meets DOW standards. (Ref: Water Plan 2020 Chapter 3, Water Service Areas, Pg. 3-2) The Water Plan 2020 water service area for the Hanapepe-'Ele'ele system is defined as areas that are serviced by the existing water system facilities. The service area is generally limited to the areas that have appropriate planning and zoning approvals in place. Water service is generally available within the service area unless system infrastructure improvements are needed to provide adequate water supply without detrimentally affecting the existing water consumers.

The subject development is located in an area that was planned and zoned for future urban development. The developers of these projects are obligated under conditions of their zoning to develop the necessary potable water system infrastructure.

Although the Department’s Water Plan 2020 was adopted in 2001, the “development area” was earlier conditioned by prior SLUD, County Zoning and General Plan Amendment, zoning and special management use permit and subdivision water conditions that stated that the development/petition areas was located outside of the service area for which the Department’s General Plan for Domestic Water was prepared. The condition also stated that new source, storage, and transmission water system improvements will have to be developed to serve the additional water demand of the area. Specifically in 1995, when the developer filed a subdivision application (S-96-28) and a SMA
(U) permit (SMA (U)-96-2) at TMK: 2-1-01:003 for a 40 lot industrial subdivision. DOW recommended that prior to final subdivision and building permit approval, the developer was required to prepare and receive DOW approval of a water master plan for the full development of the area. The subdivider was required to provide additional source, storage and transmission facilities as required by the approved water master plan.

2) It may be premature to approve the developer’s request to use existing DOW source and storage facilities without the completion of a comprehensive water master plan for his development.

In areas, which are planned and rezoned for future urban development, the developer is obligated under conditions of their zoning to develop water supply infrastructure that meets DOW standards. The A&B 72-acre development that received State Land Use designation and County zoning amendment approvals in 1990 and 1995 was required to develop new source, storage and transmission water system facilities to service the additional water demands of this area. Later DOW conditions for subdivision and SMA (U) permits included the preparation and approval by the DOW of a Water Master Plan for the full build out of the development. The water master plan (Ref: Section 113- Water Master Plan, pg. 113-1, Water System Standards 2002, as amended) is defined as a plan describing the development of any property including all of the proposed water system improvements necessary to provide adequate water service to the development. The water master plan shall address any phasing of the development. All proposed work shown in the water master plan shall be designed according to the Department Water System Standard Rules.

The developer has presented preliminary existing water system capacity and water demand estimates to justify his request. Developer calculations do not include the full-build out demand for the entire development area, as well as, other requirements including fire protection and system hydraulic analysis to determine the existing water system capacity. Sufficient engineering worksheets and analysis to substantiate his estimates were not provided. A water master plan should include detailed and comprehensive engineering analysis, planning and design activities necessary to determine the water system improvements for full build out. The master plan will determine the ultimate water system improvements and may include a phased implementation plan of the water improvements to service the incremental build out. One intent of the water master plan will be to eliminate piece-meal and unplanned water improvements and costly pre-mature replacement of under designed and shortsighted water facilities.

BOARD RULES AND REGULATIONS: The DOW Rules and Regulations that apply to this situation are described below:

Part 2, Section II-General Conditions, Item 1.a.: "Any prospective consumer may obtain water service provided all of the following conditions are met: a. In the event that service limits are established by the Department that the premises are within these limits."
Part 3, Section II – Availability of Water and Approval of Subdivision Map, Item 2.: "In areas where there are no public water supply available or where large quantities of water are required of a large investment is necessary to provide service, the subdivider will be informed as to the conditions under which the subdivision may be approved and, where appropriate, refunds made.

BACKGROUND:
The proposed developments are located east of Waialo Road in Ele'ele and further identified as TMK: 2-1-01:003 and 051. The area was previously used to grow sugar cane and zoned Agricultural. (Exhibit 1: Map showing TMK parcel location)

The subject properties were subject to a Petition for Amendment to the State Land Use District Boundaries to reclassify certain lands from Agricultural to Urban in 1990 (Petition A90-654 by A&B Properties, Inc.).

The DOW did not have any objections to the petition provided that water source, storage and transmission facilities are upgraded prior to actual development or subdivision of this area. The DOW also stated that this petition is outside the service area for which the Department's General Plan for Domestic Water was prepared. New source, storage and transmission water system facilities will have to be developed to serve the additional water demands of this area. (Exhibit 2: DOW comments to Petition A90-654))

In 1994, the zoning designation for that certain area in Port Allen, Kauai, identified as TMK: 2-1-01:03, as shown on the map attached was amended from "Agricultural District (A)" to "General Industrial District (IG)" through Ordinance No. PM-293-94, Bill No. 1641. The amendment was subject to conditions, one of which is:

"As recommended by the Department of Water, the Petitioner shall construct water improvements, which may include a storage tank, connecting pipeline facilities, and adequate transmission facilities. The Petitioner shall resolve these requirements. . . ." (Exhibit 3: Copy of Ordinance No. PM-293-94, Bill No. 1641 that includes DOW comments and map of the affected area)

In 1995, a subdivision application, S-95-43 was submitted to the Planning Department. Subdivision application, S-95-43 was a proposed 2 lot subdivision of TMK: 2-1-01:003.

DOW comments for S-95-43 required FRC charges for 2 lots. Installations of service connections were not required to be installed at that time. Subdivision appears to have been treated as a large lot subdivision (subdivision of a large parcel into a parcel that is planned to be developed with a large remainder parcel). (Exhibit 4: DOW subdivision report for S-95-43 with map)

In 1995, a subdivision application, S-96-28 was submitted to the Planning Department. S-96-28 was a proposed 40-lot Industrial subdivision of TMK: 2-1-01:003. Parcel 3 was created from S-95-43. According to the Planning Department, S-96-28 was declared null and void effective February 23, 2001. We understand that a revised subdivision map was submitted by the developer in March
2008. To date, the DOW has not received a copy of this revised subdivision map from the Planning Department for review.

DOW comments for S-96-28 conveyed that the proposed development is located outside of the service area for which the Department's General Plan for Domestic Water was prepared. Prior to the DOW recommending approval, the developer is required to prepare and receive DOW approval of a Water Master Plan for full development of this area. The developer is required to provide additional source, storage and transmission facilities as required in the approved Water Master Plan for this area. The developer was required to also complete other conditions. (Exhibit 5: DOW subdivision report for S-96-28 with map)

In 1995 a Special Management Area Use Permit Application, SMA (U) – 96-2 was filed by A&B Properties, Inc. to allow a 39-lot Industrial subdivision of TMK: 2-1-01:003 por.

DOW comments for this application stated that at the present time, the proposed development is outside of the service area for which the Department's General Plan for Domestic Water was prepared. If this area is to be developed, new source, storage and transmission facilities will be required to be developed to serve the additional water demands of this area. The applicant was made aware that prior to final subdivision approval or building permit approval, the developer will be required to prepare and receive DOW approval of a Water Master Plan for full development of this area and to provide source, storage and transmission facilities as required in the approved Water Master Plan for this area. Other conditions also applied. (Exhibit 6: DOW comments for SMA (U)-96-2 with application and map)

Zoning Amendment, ZA-2005-2 (TMK: 2-1-01:003): On April 5, 2005 DOW informed applicant (A&B) that the proposed zoning amendment area is located outside of the DOW service area. Prior to development of the area, new source, storage and transmission water system facilities will be required to serve the additional water demands for this area. (Exhibit: See DOW report to Planning, dated 4/5/05). (Exhibit 7: DOW comments for ZA-2005-2 with map)

System Source capacity for the Eleele water system is obtained from the Hanapepe water system. Water from Hanapepe Wells is pumped up to the Eleele water system by booster pumps located in Hanapepe Valley. The capacity of these booster pumps are currently used as the source capacity for the Eleele area. Both the Hanapepe and Eleele Water Systems have their own storage and transmission facilities. The DOW generally analyzes each system separately, although both are analyzed together for larger developments to make sure that the source and transmission facilities supplying the Hanapepe service area are adequate.

The following shows the status of the Eleele Water System and the combined Hanapepe-Eleele Water Systems based on 2006 consumption data. All demands shown are based on maximum day demand (MDD) figures.
Existing Status of DOW Eleele Water System:
Current demand: 0.662 mgd
Pending demand: 0.123 mgd
Total demand: 0.785 mgd

Source Capacity Eleele: 1.15 mgd
Storage Capacity Eleele: 1.00 mgd

Available Source Capacity Eleele: 1.15 mgd - 0.785 mgd = 0.365 mgd
Available Storage Capacity Eleele: 1.00 mg - 0.785 mg = 0.215 mg

Existing Status of the combined DOW Hanapepe-Eleele Water Systems:
Current demand: 1.405 mgd
Pending demand: 0.131 mgd
Total demand: 1.536 mgd

Source Capacity Hanapepe-Eleele: 1.944 mgd
Storage Capacity Hanapepe-Eleele: 2.000 mgd

Available Source Capacity Hanapepe-Eleele: 1.944 mgd - 1.536 mgd = 0.408 mgd
Available Storage Capacity Hanapepe-Eleele: 2.000 mg - 1.536 mg = 0.464 mg

The applicant estimates that the proposed projects will require (0.080 mgd + 0.17 mgd) 0.250 mgd of water. The proposed water usage quantity is not verified. Detailed water demand calculations were not done. The applicant has not included demands for the full buildout demand for the development area.

Board Discussion:
Acting Manager Ushigome stated as their rezoning process, A&B was informed that a Water Master Plan needed to be done to know what type of water requirements were needed for their development.

Mr. Crowell asked what is considered a service area. Mr. Doi referenced the DOW's Water System General Plan for Domestic Use that was used as a guide on service areas and service limits. Mr. Doi stated that back in 1990 when A&B came in for an amendment to the State Land Use, the DOW's Water System General Plan for Domestic Use identified that their project was out of the DOW's service area. At that time, it was noted that since they were out of the DOW's service area, they had the water requirements to provide all of the source, storage and transmission facilities.

Mr. Crowell asked what would it take to change that service line area? Mr. Doi replied if there was more infrastructure then the service area could be expanded. Mr. Doi added that Water Plan 2020 now kind of addresses this area. The intent was not to de-obligate the existing developments from doing their requirements.

Mr. Nishimura discussed that the applicant contends that there is excess capacity in that area. On query by Mr. Nishimura, Mr. Doi stated that A&B did submit in their letter their proposed water demands; however, as part of the water master plan, the
DCW is asking A&B to submit more detailed calculations to substantiate their proposed water demands.

Acting Manager Ushigome added that these 2 projects are only a part of their overall zoning amendment. She did a short Powerpoint presentation to show the Board the water transmission lines that feeds Hanapepe/Eleele, which is located treacherously in Hanapepe Valley.

Mr. Crowell asked if the Hanapepe Well services only Eleele or Hanapepe and ‘Ele’ele. Mr. Doi stated that it services both areas with a booster pump. Mr. K. Fujimoto added that the 4 wells in Hanapepe service all of Hanapepe, including Hanapepe Valley, Eleele, and including Hanapepe Heights. There are 3 wells in the valley and 1 well near and servicing Hanapepe Heights, which is Hanapepe Well No. 4. There are no well sources in the Eleele area; Eleele is fed water via the booster pump station.

Acting Manager Ushigome also added that the waterline in Hanapepe Valley is the only connection that services Eleele.

On query by Mr. Kyono, Acting Chief of Operations Bill Eddy stated that the head is 28, between the top and bottom, which is about 340' with the tank topped and 312' at the well site.

Mr. K. Fujimoto gave a little history on the 27-inch waterline in Hanapepe Valley that it was previously owned by A&B, who formerly used it as an irrigation line. However, this line was conveyed to the DOW as part of their water requirements for the Port Allen Industrial Subdivision. The DOW did install a liner in the waterline to make it usable for potable water.

**TESTIMONY:**
Mr. Tom Shigemoto of A&B Properties was present to testify and gave an overview of their proposed project that consists of 72 acres of land.

Mr. Shigemoto stated that the 72 acres did include the 24 acres that was eventually sold to Habitat for Humanity that they are developing now. There is 28 acres that was rezoned and urbanized in 2005, which was zoned general industrial back in 1994.

Mr. Shigemoto commented that he was not sure why their projects were not included in Water Plan 2020. He went briefly over the DOW’s staff report on available source capacity and the staff report does reference excess source and storage capacity in the Hanapepe/Ele’ele areas.

Mr. Shigemoto stated that they are asking for consideration for the general industrial subdivision, which was zoned back in about 1994 and most recently in 2005. He felt that this project should have been included in Water Plan 2020 knowing that it was already zoned.

Mr. Shigemoto also added that he does not understand why would a water master plan be needed if there is water already available for an area? They would do one if
need be, although he wondered what would they be trying to find. He also wondered what the excess capacity would be saved for, because as far as he knows, there are no other proposed developments in the area. He added that all of the non-developed areas are owned by A&B.

Mr. Shigemoto discussed that Habitat for Humanity, who A&B gave 24 acres of land and was initially part of their 72-acre project area, got County water. He did not know if the reason was that they are doing affordable housing.

Mr. Shigemoto summarized that he was at this meeting to verify whether there was enough water for their general industrial subdivision and their proposed future residential subdivision, which has 60 percent affordable housing.

Mr. Crowell asked how much of the undeveloped lands are A&B lands located west of their proposed projects in Port Allen? Mr. Shigemoto stated that they have some lands by Forest West, which is right by the river mouth. There is about eight (8) acres that is zone open and in flood zone that is why there are no plans for that area. He added that they have a few vacant commercial areas in Hanapepe Town; otherwise, it is pretty well developed.

Mr. Nishimura discussed that he was concerned about the amount of water usage for a general industrial area as the uses are widely varied from minimum use to major use of water. Mr. Shigemoto added that their engineer calculated that their general industrial subdivision would need about 80,000 gallons per day.

On query by Mr. Crowell, Mr. Doi stated that the available storage capacity is .215 million gallons.

On query by Mr. Nishimura, Mr. Doi stated that he would have to research if the Habitat for Humanity is included in the water calculations.

Mr. Nishimura moved that the board accept the staff’s recommendation; however, there was no second. Motion died.

Mr. Crowell moved to defer this matter to the next Board Meeting because he would like to know more about what is the excess water capacity being saved for and what are our priorities for its use, seconded by Mr. Nishimura.

Since this matter was deferred, Mr. Nishimura asked Mr. Doi to inform the Board on how he came up with the calculation of the available water of .215 MGD.

Mr. Kyono added that for the benefit of the new Board members who were not involved with Water Plan 2020, it would be helpful to explain how the service areas were established in the 1990’s.

Motion was carried.

Mr. Shigemoto, Mr. Crawford, and Mr. Bond left the meeting at about 2:15 p.m.

Motion was carried. Recess: 2:15 p.m. to 2:20 p.m.
REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, June 5, 2008

The Board of Water Supply, County of Kaua‘i, met in regular meeting at its office in Lihu‘e on Thursday, June 5, 2008. Vice Chairperson Leland Kahawai called the meeting to order at 10:13 a.m. On roll call, the following answered present:

BOARD: Mr. Leland Kahawai, Vice Chairperson
       Mr. Ian Costa
       Mr. Dee Crowell
       Mr. Donald Fujimoto (left at about 12 noon)
       Mr. Steven Kyono
       Mr. Randall Nishimura

Absent & Excused: Chair Roy Oyama

STAFF: Ms. Wynne M. Ushigome
       Mr. Paul Ganaden
       Mr. Gregg Fujikawa
       Mr. William Eddy
       Mr. Keith Fujimoto
       Mr. Bruce Inouye
       Ms. Faith Shiramizu
       Ms. Amy Esaki
       Mr. Edward Doi
       First Deputy County Attorney Harrison Kawate

GUESTS: Mr. Lindsay Crawford, Kukui‘ula Development LLC (left at about 10:30 a.m.)
        Mr. Benjamin Garfinkle, Developer (left meeting at about 11:18 a.m.)
        Mr. Ben Wellborn, Mr. Garfinkle’s consultant (left meeting at about 11:18 a.m.)
        Mr. Max Graham, Legal Counsel (left meeting at about 11:18 a.m.)
        Mr. Tom Shigemoto, A&B Properties (left at about 1:10 p.m.)
        Mr. Dan Yasui, A&B Properties (left at about 1:10 p.m.)

AGENDA

Mr. Kyono moved to approve the Agenda, seconded by Mr. Costa; motion was carried.

MINUTES

Public Hearing: Thursday, May 8, 2008
Mr. Crowell moved to approve to receive the Public Hearing minutes of Thursday, May 8, 2008 and place on file, seconded by Mr. Nishimura; motion was carried.

Regular Meeting: Thursday, May 8, 2008
Mr. Crowell moved to approve to receive the Regular Meeting minutes of the Thursday, May 8, 2008 Meeting and place on file, seconded by Mr. Nishimura; motion was carried.
Mr. D. Fujimoto added for information that the DOW has exercised its right in the past to approve private water systems.

Vice Chair Kahawai suspended the rules to allow Mr. Tom Shigemoto of A&B Properties to speak.

Mr. Shigemoto asked if this project is not a subdivision, would the applicant have to comply with the County standards. The Board said no. He then asked if the County Attorney could rule whether this project is defined as a subdivision simply because it went through the subdivision process and what is the definition of a subdivision in the subdivision ordinance?

Mr. Nishimura stated as a point of order, his point is well taken but as a separate matter.

Motion was carried.

Mr. Garfinkle, Mr. Graham, Mr. Welborn, Mr. Nance left the meeting at about 11:18 a.m. Recess: 11:18 a.m. to 11:28 a.m.


Mr. Tom Shigemoto and Mr. Dan Yasui of A&B Properties, Inc. were present at the meeting.

FINDINGS

LOCATION: ‘Ele’ele. Approximately adjacent and near to the easterly side of the intersection of Waialo Road and Kaumualii Highway further identified by Tax Map Key 2-1-02: 51 and Tax Map Key 2-1-02: Por. 3 affecting a total area approximately 48 acres.

I. ACTIONS REQUIRED:

The Department of Water identified these projects as being located outside of the Department’s ‘Ele’ele service area. The Department is recommending that the applicant adhere to the Department’s recommendations that were made for various land use designation, zoning amendment, SMA (U) permit and subdivision applications for the project area. At the May 8, 2008 Board meeting, the question of who the water is being reserved for was asked? The Board requested that the Department provide additional information regarding the amount of potential water demand that would be required to allow for future infill development within the ‘Ele’ele service area. The applicant is requesting to use existing water source and storage capacity from the Department’s existing water system facilities. The Board Report/Minutes of May 8, 2008 Board Meeting was given to the Board for their reference.

III. LEGAL REQUIREMENTS:
1. Zoning Designation, Ordinance PM-293-94
2. Board adopted the Water System Standards (WSS), Sections 113 and 111

IV. APPLICANT’S REASONS/JUSTIFICATION:
Refer to Applicant’s April 10, 2008 letter to the Board and the applicant letter of May 15, 2008 submitting revised demand calculation for the project.

ADDITIONAL FINDINGS
The following includes a revised status of the ‘Ele’ele Water System based on 2006 consumption data. Water demands are based on maximum day demand (MDD) criteria and are indicated in million-gallon per day (mgd) units.

The Department reanalyzed the “Status of Source and Storage” spread sheet for the ‘Ele’ele water service zone and included the following revisions:
- The Pending Development spread sheet was modified to include additional potential development within the ‘Ele’ele service area. These additional developments included subdivisions with tentative subdivision approval, lots with no meter service and potential ADU development within residential zoned areas.
- Pending Development demands for ‘Ele’ele Nani Subdivision Phase I & II were reduced.
- Fourteen (14) lots without water meter service were added to the “Pending Developments” spread sheet.
- The “‘Kaua’i Habitat for Humanity” Subdivision Phase II (107 lots) which has tentative approval from the Planning Department was added to the spreadsheet. Department of Water’s requirements included but were not limited to mainline extensions (no source or storage required).
- Potential ADU’s (556 units) for the ‘Ele’ele service area within the residential zoned designations was added to the spreadsheet.
- The total potential maximum day demand for the ‘Ele’ele service area resulted in a total Pending demand of 0.615 mgd.

Existing Status of DOW ‘Ele’ele Water System:
Current demand: 0.662 mgd
Pending demand: 0.615 mgd (See Attached Exhibit A)
Total demand: 1.277 mgd

Source Capacity ‘Ele’ele: 1.15 mgd
Storage Capacity ‘Ele’ele: 1.00 mgd

Available Source Capacity ‘Ele’ele: 1.15 mgd – 1.277 mgd = -0.127 mgd
Available Storage Capacity ‘Ele’ele: 1.00 mgd – 1.277 mgd = -0.277 mgd

EVALUATION
The Department of Water’s policy is to provide water service (one 5/8-inch water meter) to vacant lots of record within its respective service area. In addition, the Department provides water service for an ADU provided there are no restrictions in
said service zone. The Department must account for “Kaua‘i Habitat for Humanity” Subdivision Phase II because DOW comments have been provided for said subdivision without the requirements for additional source or storage facilities.

CONCLUSION
Based on the water demand projections that will be required for future development (Pending Development) within the ‘Ele’ele service area, the available source and storage facilities will not be sufficient to provide adequate water system capacity to allow full development of the Pending Development. Additional source and storage facilities must be provided in order to allow full development within the ‘Ele’ele service area.

RECOMMENDATION
It was recommended that the Board support the Water Department’s recommendation that was included in the “May 8, 2008 BOARD REPORT”.

Staff/Board Discussion:
Mr. Fujikawa stated that Mr. Nishimura previously requested on the clarification on the available storage for the ‘Ele’ele Water System, which information was included in the previous Board Report that showed the available storage capacity as +.215 MG. This was derived from addressing existing consumption and future pending development that have received final subdivision approval, paid their FRC charges but have not gotten their water meter yet.

Mr. Fujikawa added that they also looked at potential development in Eleele for potential water demand. They found that there were 14 vacant lots within the Eleele service area that do not have water meter service. There is also a pending subdivision that has tentative subdivision approval, which is the Kaua‘i Habitat, Phase 2 that have 107 lots. This piece of land was initially owned by A&B Properties.

Mr. Fujikawa also added that most of the land in the area is zoned residential, with some light industrial. They also looked at upper ‘Ele’ele area and found that potentially there could be about 550 additional dwelling units (ADUs) in the area. As ADUs in the ag zoned area is no longer being allowed, they did their research for potential ADUs only in the residential areas.

Mr. Fujikawa stated that the previous pending demand amount was .0123 MGD but after looking into this matter again with the potential ADUs, their revised total pending development demand is .615 MGD. Therefore, the initial source capacity was +.215 MGD but now there is a deficit: -.127.

Mr. Fujikawa also stated that the storage capacity has a deficit as it went from .215 MGD to a deficit of: -.277 MGD. He noted that A&B submitted a revised letter clarifying their water demand calculations, which was too late to be included in the Board Report. Their report stated that their proposed industrial and residential use demand was about 176,000 GPD, which was based on average day demand. Mr. Fujikawa informed the Board that the Department uses maximum day demand, which they re-calculated A&B’s average day demand to maximum day demand for a total of .26 MGD, which creates a storage shortage.
Mr. D. Fujimoto discussed that for wastewater facilities, once you reach 80% of capacity, they are required to design for future expansion. So now that we are in this situation, what are the DOW's plans for the future as far as well development and storage capacity; when does the DOW start implementing future expansion and could the DOW partner with the developer? Mr. Fujikawa concurred that it was a good idea to partner with the developer. He also would need to check where on the Water Plan 2020 priority list are the proposed water projects for the Hanapepe/Ele'ele area.

On query by Mr. Kyono, Mr. Fujikawa stated that the projections for Water Plan 2020 were based on 2000 Kauai General Plan Update population projections for the island, which was about 70,000 people. They also have a prioritization plan that they just worked on with the Sustainability Plan in November, 2007, which defined what the DOW needs to do in the next 10 years. There are 160 projects addressed over the next 10 years. The prioritization was worked on by each of the divisions. The factors used to prioritize the projects were: 1) age conditions; 2) providing facilities for growth; 3) public safety; and 4) fire protection. Based on these conditions, the committee initially designated projects for each water system for 5-year increments.

On Mr. Nishimura's inquiry, Mr. Fujikawa discussed that, as per the Board's request, the increase of .123 to .615 was as a result of staff reviewing further for other potential developments in the 'Ele'ele area, as well as potential ADUs that may require more water. Mr. Fujikawa added that it is hard to know how many owners will build and/or do ADUs but the above are the perimeters.

On query by Mr. D. Fujimoto, Mr. Fujikawa replied that the ADU count was based on residential zoning and the number of lots that are either vacant or only have 1 house on the lot that have potential to have an ADU.

On query by Mr. Kyono, Mr. Fujikawa stated that when they review water inquiries for a certain area, his staff checks for existing consumption, pending development that have allocated water that got final approval but not used the water yet.

On query by Mr. Crowell, Mr. Fujikawa stated that as part of Water Plan 2020, the staff has earmarked service areas as existing service areas as well as new areas that constituted future urban development that had approvals; for example, the A&B/Kukuuiula development, Amfac/Molokoa development, and the Grove Farm/Puhi development. As part of Water Plan 2020, these new service areas were still obligated to provide the necessary water infrastructure for each of these developments.

Mr. Fujikawa clarified for Mr. Crowell that whether the development wants to be in the service area, the developments are still obligated to do the necessary water infrastructure.

On query by Mr. Crowell, Mr. Fujikawa stated that although staff has researched that there is potential water use for potential ADUs, the water is not reserved for the ADUs. Mr. Fujikawa stated that only approved subdivisions have water reserved; water is not reserved for ADUs, tentative subdivisions, and vacant lots.
On query by Mr. Nishimura, Mr. Fujikawa stated that is appears that there is no available storage because per his May, 2008 Board Report, it showed that there was an available storage capacity of 0.125 MGD. A&B is requesting 0.176 MGD (per their May 15, 2008 letter to the DOW), which is based on average day demand, and the DOW uses maximum day demand per our standards. Therefore, A&B's storage requirements appear to exceed our available storage capacity.

Mr. Nishimura inquired whether A&B would be able to move forward on their smaller project, which appears to be their industrial project that would need about 80,000 gallons of water per A&B's calculations. Mr. Fujikawa stated that phasing the project is a possibility.

_Mr. D. Fujimoto was excused from the meeting at about 12 noon._

_A&B Testimony:_

Mr. Tom Shigemoto and Mr. Dan Yasui of A&B Properties were present. Mr. Shigemoto testified that they have been consistently told that their project is out of the service area and they have to provide standard requirements such as source, storage and transmission lines.

Mr. Shigemoto stated that they use the basis of the DOW's response to their proposed project "Any actual development is dependent on the source, storage and transmission facilities existing at that time that would be determined upon the approval of a water master plan" as their basis of being at this Board Meeting. They want to get that determination whether their proposed project that is out of the service and if the DOW has sufficient water for source and storage, would they be able to get water. He also asked if they are not in the service zone, why are they not in the service zone as their project area had been zoned since the 1990s, with the County General Plan updated in 2000 and Water Plan 2020 finalized in 2001?

Mr. Shigemoto stated that they first asked for the DOW's requirements for their proposed project back in August, 2006 and they were told that their proposed project was out of the service zone and it was dependent on source, storage and transmission lines existing at that time.

On September 6, 2007, their new consultant, RM Towill, submitted a water service request for only the industrial side of their project and stated that A&B needed 80,000 gallons of water per day. On October 23, 2007, DOW responded with a letter that their project was out of the service zone, their project is dependent on source, storage and transmission lines existing at that time, and that they would need to do a water master plan. Then on November 21, 2007, Mr. Shigemoto met with staff to verify if they could not get water because they were out of the service area or there was no water. They were told to submit another letter to clarify their revised request, which they did on December 4, 2007. Mr. Shigemoto stated that December 4th letter clarifies clearly why they are at this Board Meeting.

Mr. Shigemoto stated that their letter reiterated that they wanted to know what the system capacity was and what was the remaining water availability? A&B's letter to the DOW also stated that, "based on your answers, our client will determine whether it would be prudent to proceed with filing of a subdivision application at this time. If
your system cannot support the projection ..... water demand then the project may be abandoned or deferred at a future date when water becomes available. However, if sufficient water is currently available but cannot be committed to the project because it falls outside of the Department's service area, it is our understanding that either a variance or a waiver from that rule may be available and may be obtained from the Board of Water Supply or the Manager of the Department. Please confirm that our understanding is correct.”

Mr. Shigemoto stated further that they received a response from the Department on January 4, 2008, stating again the same disclosure. This letter also stated that the ‘Ele’ele Water System had approximately 0.368 million gallons per day of source and 0.126 of storage available. The transmission lines would be dependent on the location and the size of the pipe. The DOW's letter ended with that A&B could submit a written request to also be on the Board’s agenda to address the Department policy for their development.

Mr. Shigemoto added that the January 4th letter did not address their 2 questions about current water demand and what was the system capacity. They were not told at that time that the system was at capacity as is indicated today. If they were told that the system was at capacity at that time and water was not available, they would not be at this Board Meeting today.

Mr. Shigemoto questioned the potential reserve of water for ADUs, which seems to not be a common practice; if so, it would show that every water system on the island is over capacity. He added that A&B’s projects, ‘Ele’ele Nani I and II Subdivision, both have covenants that allows only one house per lot and prohibits ADUs; therefore, 324 lots in ‘Ele’ele Nani I and II Subdivision cannot have ADUs. Based on A&B’s restriction, Mr. Shigemoto was puzzled on how the Department got the count of the potential of 500+ ADU units.

Mr. Shigemoto stated that they were told that Water Plan 2020 addressed only the larger growth areas, which he guessed meant that there was no urgency demand for the Waimea/Kekaha and Hanapepe/‘Ele’ele areas. However, if there is such a need now for source and storage that was recently determined by staff, why was not that addressed in Water Plan 2020? He also recognized that there are no future plans for transmission lines in the ‘Ele’ele area so he guessed that it was sufficient.

Mr. Shigemoto added that in the staff's report, the Water Systems Standards Section Nos. 1-11 and 1-13 were addressed, which uses average day demand (ADD); therefore, he questioned why is the Department using maximum day demand (MDD)? The ADD is 500 gallons per unit for single family and 350 for multi-family or resort. He added that the MDD is normally used only for pipeline calculations and fire protection.

Mr. Shigemoto discussed that if there is water, he had no problem to do a water master plan but would not make sense if there is no water availability. He also discussed that with their calculations using ADD, they show availability for source and storage for their project.
On query by Mr. Costa, Mr. Shigemoto stated that he had a General Plan map that showed their projects covered by some type of General Plan designation. Mr. Shigemoto stated that A&B got their 28 acres in the year 2005 but it was already urban zoned since 1991 when they had their District Boundary Amendment approved. The 28 acres that consisted of residential and commercial projects were located at the corner of Halewili and Kaumualii Highway. They had their zoning for the industrial area of 28 acres since 1994.

Mr. Shigemoto discussed that if they are in the DOW’s service area, they would want consideration from the Board to move forward with their project.

Mr. Nishimura asked if they would be willing to phase their project and do a water master plan? Mr. Nishimura explained the possibility of doing only the industrial first, as the demand shows, with a lower number of ADUs that may be built, that there would be enough source and storage to support it. Mr. Nishimura asked if A&B could move forward with only the industrial portion of their project and do a water master plan concurrently then A&B would later be responsible for water infrastructure improvements? Mr. Shigemoto stated that they are aware and there is no question about A&B installing water improvements; however, he would not be favorable if the DOW would then inform them that they are out of the service area and would have to install the source, storage and transmission lines. Mr. Shigemoto acknowledged that Acting Manager Ushigome was then informing him that they would still be responsible for the source, storage and transmission lines.

Acting Manager Ushigome discussed that although Water Plan 2020 recognized the existing zoning amendments for Kukuiula, Grove Farm, etc., it does not de-obligate the developers from providing applicable water infrastructure for their own development. She also added that as a result of going through the zoning process, the developer is obligated to construct needed water infrastructure.

Mr. Nishimura summarized that there are facilities in the area, A&B is not denying their obligation to construct the needed infrastructure, and the DOW acknowledges that there is adequate source and storage capacity, so why not have them go forward with a portion of their project and hold them to also completing their other remaining obligations. Acting Manager Ushigome stated that if they get to move forward on their industrial project, how would they take care of the transmission line requirements, especially since the DOW’s only transmission line sits precariously on the side of the cliff of Hanapepe Valley. She stated that this transmission line is a major concern for the DOW; therefore, felt that A&B should install an alternate line to ensure the reliability of the transmission system. This should be addressed in the water master plan.

Acting Manager Ushigome added that as part of their zoning amendment approval, it included obligations to satisfy or improve and construct needed water infrastructure.

Mr. Costa and Mr. Shigemoto were curious to know what makes A&B’s development out of the service area as it abuts the existing service area. Mr. Shigemoto wondered why they cannot hookup to the waterline that is on Waialo Road.
Acting Manager Ushigome discussed that one of the intents of the water master plan is to tell the DOW how the developer will satisfy and construct the necessary water system improvements. The DOW will not tell the developer how they should do it; however, as a general rule, the general conditions apply, which are having adequate source, storage and transmission lines.

On query by Mr. Shigemoto, Acting Manager Ushigome stated without knowing the specific details on how the developer will satisfy and address their water needs, the Department would generally state a generic statement that would say that source, storage and transmission lines would need to be addressed.

Mr. Shigemoto stated that he understood that it was up to the Board or Manager to decide if they are in the service area first of all and then if water is adequate, whether they can have water or not. He understood that there is adequate water so why would they need to do a water master plan.

Mr. Nishimura questioned that knowing that there is extra water, what are we saving it for? He reiterated that we have enough water to service a portion of A&B’s project so why not give them the water to start a portion of their project, while they do their water master plan to see what needs to be done in order to get adequate water for the final phases of their project.

On query by Mr. Nishimura, Mr. Shigemoto stated that the larger project consists of the combined commercial and residential projects and they also have the industrial project.

Mr. Nishimura asked Acting Manager Ushigome if A&B’s water master plan shows that the industrial project can be sustained by the current water availability, would the Department be able to service the project? Acting Manager Ushigome said yes if A&B is willing to mitigate and improve one of our sources by installing a booster pump.

Mr. Shigemoto added that they were told that they also needed to provide source, which he felt was not needed as the Department has water availability and they expect to use only 8,000 gallons per day. He stated that it would be too costly to develop a source for only 85,000 gallons per day.

Mr. Shigemoto could not understand why their project could not be serviced simply because they are out of the service area as there is available water capacity. He added that why not allow their project in the meantime and they will do the water master plan. If the Department sticks to their requirement of developing a source then it defeats the purpose of doing a water master plan.

Acting Manager Ushigome added that she is not only saying that they need to drill another source, but instead maybe there is a way of mitigating existing conditions as the present water system has physical constraints with the only transmission line on a precipice and is a concern for her. Another possibility is to do a pump improvement that would mitigate the source component for their development or strengthening of the transmission line that would satisfy the source component.
Mr. Kyono discussed that when he looks at the figures that was submitted by Mr. Fujikawa, with the knowledge that additional dwelling units (ADUs) are not instrumental in figuring out our water capacities, there seem to show that we have about 100,000 gallons of water availability per day.

On query by Mr. Kyono, Acting Chief of Operations Eddy stated that the Department has 3 wells in operation for Hanapepe/Ele'ele with one transmission line; the norm is actually to have redundancy with more than one transmission line. Mr. Eddy also explained that there are some transmission issues in that area. For example, about 2 months ago, the upper section of the 'Ele'ele system experienced air in the line as a result of very low water pressure when a fire hydrant was damaged as a result of a car accident.

Mr. Eddy added that a water master plan would look at these infrastructure issues.

Vice Chair Kahawai discussed and questioned whether A&B would be willing to do a water master plan that would be contingent upon the DOW's approval, which would point out the issues of the area? These issues could be addressed by Water Plan 2020. Mr. Shigemoto stated that he would agree if it would not be futile to do it if the Department would still in the end state that A&B would need to develop a new source.

On query by Mr. Nishimura, Mr. Shigemoto stated that they want to use the excess water capacity for only their 2 proposed projects. Mr. Shigemoto stated that they are not ready to develop their projects now; therefore, they understand that there may be other developers in the meantime. They also understood that once they move forward with their projects that they would need to do the water master plan and if the plan shows that there is sufficient source then they would want to use that source. Mr. Shigemoto also reiterated the futility of the water plan process if the Department would still in the end state that A&B would need to develop a new source and do a loop system that would not be feasible and their projects would stop. If the plan showed that only a storage tank is needed, that would be something that they could undertake.

On query by Mr. Kyono, Acting Manager Ushigome stated that there are 3 wells in Hanapepe Valley that services Hanapepe/Ele'ele.

On query by Mr. Kyono, Mr. Eddy stated that there was a temporary 8-inch HDPE line located alongside the steel pipe that was installed several years ago when repairs were done to the steel pipe and is now not in use. Acting Manager Ushigome added that it was a concern for her too that the 2 waterlines were next to each other as she felt that if one line would break so would the other.

Mr. Nishimura moved to defer this matter to have the applicant work with the Department and come to some type of an agreement as far as how much source, how much storage, they are asking for and how much the Department wants to reserve. He felt that even in light of some of the ADU issues, there is some water availability; however, there may not be enough source and storage for the whole project so the applicant could be designated water availability temporarily for portions of their project to move forward.
Mr. Costa seconded the motion; motion was carried.

AGENDA

Mr. Kyono moved to re-order the Agenda to take New Business Agenda Item Nos. 4-8, seconded by Mr. Costa; motion was carried.

NEW BUSINESS

Re: Conveyance of Water Facility from Raymond B. Clayton, Erik S. Taylor, David K. Sakihama and Tanya T. Sakihama, Reid T.K. Sakihama, and Kenneth M. Sakihama for the Installation of Single Service Lateral for Lot 10-C, Unit B, Kaapuni Road, TMK: (4) 4-6-11:070, Kapaa, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Raymond B. Clayton, Erik S. Taylor, David K. Sakihama and Tanya T. Sakihama, Reid T.K. Sakihama, and Kenneth M. Sakihama transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to the following item:

Waterline: 1 ea. 1 inch copper single service lateral for One (1) - 5/8 inch meter

in place complete, in accordance with the as-built construction drawings for CONSTRUCTION PLANS FOR INSTALLATION OF SINGLE SERVICE LATERAL FOR LOT 10-C, UNIT B, prepared by Portech Engineering, Inc., Kapaa, Kauai, Hawaii.

A Grant of Easement is not required at this time.

Mr. Kyono moved to approve the Conveyance of Water Facility from Raymond B. Clayton, Erik S. Taylor, David K. Sakihama and Tanya T. Sakihama, Reid T.K. Sakihama, and Kenneth M. Sakihama, seconded by Mr. Costa; motion was carried.

Re: Conveyance of Water Facility from Raymond O. Chua and Ari D. Aosved, for Kahuna Pali-Uli Condominium, Unit 1, Unit 2 and Common Element; TMK: (4) 4-6-04:049, Kapaa, Kawaihau District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Raymond O. Chua and Ari D. Aosved, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8" water meter, for Kahuna Pali-Uli Condominium, Unit 1, Unit 2 and Common Element; TMK: (4) 4-6-04:049, Kapaa, Kawaihau District, Kauai, Hawaii.

Grant of Easement not required.

Mr. Kyono moved to approve the Conveyance of Water Facility from Raymond O. Chua and Ari D. Aosved, seconded by Mr. Costa; motion was carried.
REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Tuesday, July 15, 2008

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Tuesday, July 15, 2008. Chairperson Roy Oyama called the meeting to order at 10:20 a.m. On roll call, the following answered present:

BOARD:
Mr. Roy Oyama, Chairperson
Mr. Ian Costa (present at about 10:30 a.m.)
Mr. Dee Crowell
Mr. Donald Fujimoto
Mr. Leland Kahawai
Mr. Steven Kyono
Mr. Randall Nishimura

STAFF:
Ms. Wynne M. Ushigome
Mr. Paul Ganaden
Mr. Gregg Fujikawa
Mr. William Eddy
Mr. Keith Fujimoto
Mr. Bruce Inouye
Ms. Faith Shiramizu
Ms. Amy Esaki
Mr. Edward Doi
First Deputy County Attorney Harrison Kawate

GUESTS:
Mr. Lindsay Crawford, Kukui'ula Development LLC (left at about 10:32 a.m.)
Mr. Thad Bond, Kukui'ula Development LLC (left at about 10:32 a.m.)
Mr. Ben Wellborn, Mr. Garfinkle's consultant (left meeting at about 10:35 am.)
Mr. Tom Nance, Mr. Garfinkle's consultant (left meeting at about 10:35 am.)
Mr. Tom Shigemoto, A&B Properties (left at about 1:05 p.m.)
Mr. Dan Yasui, A&B Properties (left at about 1:05 p.m.)
Mr. James Hasenyager, A&B Properties (left at about 1:05 p.m.)

AGENDA

Acting Manager Ushigome requested that since our consultant would be available for a conference call at about 11:30 a.m. for Executive Session Item No. 4, could the Agenda be reordered to about that time and then to have Old Business, Item No. 4, to also be re-ordered and taken up after Executive Session.

Mr. Nishimura moved to approve the Agenda, as re-ordered, seconded by Mr. Crowell; motion was carried.

MINUTES

Regular Meeting - June 5, 2008
Mr. Kyono moved to approve to receive the Regular Meeting minutes of Thursday, June 5, 2008 and place on file, seconded by Mr. D. Fujimoto; motion was carried.
On query by the Board, Mr. Kawate clarified that this matter was up for Board's reconsideration of a previous motion made and the Board requested a submittal by the applicant to the DOW stating specifically what it would entail as far as the parameters and specs for a private water system, which the Department staff has not had enough time to review.

Motion was carried.

Mr. Welborn and Mr. Nance left the meeting at about 10:35 a.m.

Re: Request to Testify by A & B Properties, Inc. for a Request for Water Service, 'Ele'ele Industrial Park Subdivision, TMK: 2-1-02:051 and Elele Residential Development Site, TMK: 2-1-02:003, Portion, 'Ele'ele, Koloa, Kauai, Hawaii, affecting a total area approximately 48 acres

Mr. Tom Shigemoto, Mr. Dan Yasui, and Mr. James Hasenyager of A&B Properties, Inc. were present at the meeting.

FINDINGS: (Note: New information received below were bolded.)

I. ACTIONS REQUIRED:

A&B is asking the Board to waive the obligations as set forth in Ordinance No. PM 293-94 which required the Petitioner (A&B Properties, Inc.) to provide source, storage and transmission as represented in their Petition for Amendment to the State Land Use District Boundaries – Reclassifying Certain Lands Situated at 'Ele'ele for Agricultural to Urban (TMK: 2-1-01 por. 3 and por. 27).

The Department of Water identified these projects as being located outside of the Department's 'Ele'ele service area. The Department is recommending that the applicant adhere to the Department's recommendations that were made for various land use designation, zoning amendment, SMA (U) permit and subdivision applications for the project area. At the May 8, 2008 Board meeting, A & B questioned "who the water is being reserved for?" The Board requested that the Department provide additional information regarding the amount of potential water demand that would be required for future "in-fill" development within the 'Ele'ele service area. The applicant is requesting to use existing water source and storage capacity from the Departments existing water system facilities. The Board Report/Minutes of May 8, 2008 Board Meeting was attached to this report for the Board's information.

II. PROJECT DESCRIPTION AND USE:

The May 8, 2008 Board Report was attached to this revised report.

III. LEGAL REQUIREMENTS:

Ordinance No. PM-293-94 - Zoning Designation states the Petitioner shall construct water improvements, which may include a storage tank, connecting
pipeline facilities, and adequate transmission facilities. The Petitioner shall resolve these requirements with the Department of Water prior to Final Subdivision approval for the proposed subdivision.

The Department recommends the Board require A&B to fulfill its obligations as represented in their Petition for District Boundary Amendment. See attached DOW letter to the Office of State Planning dated May 21, 1990 which states the DOW as no objections to the Amendment to the State Land Use District Boundary provided that water source, storage and transmission facilities are upgraded prior to actual developments. This letter also states the area involved in the petition is outside the service area, hence the Department's recommendations remained consistent with the boundary amendment conditions.

IV. APPLICANT'S REASONS/JUSTIFICATION:

Refer to Applicant's April 10, 2008 letter to the Board and the applicant letter of May 15, 2008 submitting revised demand calculation for the project.

ADDITIONAL FINDINGS

In response to the Board's motion at the June 5, 2008 meeting, the Department is reviewing the 'Ele'ele Water System capacity to address the Board request that the applicant work with the Department to come to some agreement as far as how much source, how much storage, A&B is asking for how much the Department wants to reserve for future in-fill demands.

The Department and A&B met on June 23, 2008. A&B's estimated the maximum day demand (MDD) to be 120,000 gpd for the 20-acre parcel Industrial Park Subdivision.

If the Board is considering allocating the maximum amount possible to allow A&B to develop the Industrial parcel, it would appear the storage capacity is the limiting factor. The available storage capacity in 'Ele'ele is 1.0 MGD, therefore with the existing MDD demand at 0.662 MGD, the remaining storage capacity available for future in-fill development would be 0.338 MGD. This allows an additional 26 single-family units to be developed without any additional storage requirements.

However, as previously presented to the Board, all the water that services 'Ele'ele essentially is pump up from Hanapepe Valley through a single-feed transmission main. The Eleele (750 gpm) booster pumps were installed by A&B prior to 1990. When these booster pumps were installed, were the pumps sized to provide water to the 'Ele'ele Industrial Park and the 'Ele'ele Residential Development site? If so, then A&B should provide the engineering reports and reference documentation to substantiate that the booster pumps are adequately sized.

Based on the Board's motion, if there is not enough source and storage for the both the Industrial Park and the Residential Development subdivisions, would
a temporary designation of water availability be a consideration in order to allow the Industrial Park parcel to move forward. The Department interpreted the Board's intent for a "temporary designation" to mean the Board still intended that A&B fulfill its requirement to provide the source and storage water demands for both the Industrial Park and for the 'Ele'ele Residential Development projects.

According to A&B, if the Board waives the water requirements for the Industrial Park, there would be no future obligation. So if A&B plans to develop the 'Ele'ele Residential Development parcel, and if "the cost figures do not pencil out", A&B could walk away from doing the project.

Further, upon review of A&B Properties, Inc.'s petition for District Boundary Adjustment and Certificate of Service submitted to the State Land Use Commission, A&B stated in its application that "With respect to water, the Petitioner plan to develop a water well and storage facility to service the proposed development", page 17. The boundary adjustment encompassed the lands mauka and makai of Halewili Road and included both the 'Ele'ele Industrial Park and the 'Ele'ele Residential Development sites.

A&B Properties' Development Plan (Exhibit 4), Chapter III.C.-Water Plan indicates "The project is intended to be served by the County water system. Various on-site distributions systems and upgraded off-site transmission systems will be installed by A&B at its expense in accordance with County requirements. An additional water well and storage facility will have to be developed in order to serve the project, as more fully set forth in the Engineering Report (Exhibit 7). A&B Properties does not anticipate any problems in developing the water well and storage facility so as to meet A&B's development timetable for the project. A&B will be responsible for the payment of its pro rata share of the cost of developing a new water well and storage facility required to service the project. Based upon the improvements to be constructed by A&B, the proposed water system will be adequate to serve the proposed development; no public agencies providing water services or facilities will be unreasonably burdened by the proposed development; the water system will not have any adverse impact upon any surrounding areas; and the water system and water requirements for the project will not necessitate an unreasonable investment in public infrastructure or support services or commitment of State funds or resources."

To address the Board's inquiry which would allow A&B to utilize the available storage capacity and limit the in-fill development in Eleele, the following is a revised status of the 'Ele'ele Water System based on 2006 consumption data. Water demands are based on maximum day demand (MDD) criteria and are indicated in million gallon per day (MGD) units.

The Department reanalyzed the "Status of Source and Storage" spread sheet for the 'Ele'ele water service zone and included the following revisions:
- The Pending development spread sheet was modified to include additional potential development within the 'Ele'ele service area. These additional developments included subdivisions with tentative subdivision approval,
lots with no meter service and potential ADU development within residential zoned areas.

- Pending development demands for ‘Ele’ele Nani Subdivision Phase I & II were reduced.
- Fourteen (14) lots without water meter service were added to the “Pending developments” spreadsheet.
- The “Kaua'i Habitat for Humanity” subdivision phase II (107 lots) which has tentative approval from the Planning Department was added to the spreadsheet Department of Water’s requirements included but were not limited to mainline extensions (no source or storage required).
- Potential ADU’s (26 units) for the ‘Ele’ele service area within the residential zoned designations was added to the spreadsheet.
- The total potential maximum day demand for the ‘Ele’ele service area resulted in a total pending demand of 0.0.338 mgd.

**Existing Status of DOW ‘Ele’ele Water System:**

<table>
<thead>
<tr>
<th>Current demand:</th>
<th>0.662 mgd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending demand:</td>
<td>0.338 mgd (See Attached Exhibit I)</td>
</tr>
<tr>
<td>Total demand:</td>
<td>1.000 mgd</td>
</tr>
</tbody>
</table>

Source Capacity ‘Ele’ele: 1.15 mgd  
Storage Capacity ‘Ele’ele: 1.00 mgd  

Available Source Capacity ‘Ele’ele: 1.15 mgd - 1.00 mgd = 0.15 mgd  
Available Storage Capacity ‘Ele’ele: 1.00 mgd - 1.00 mgd = 0 mgd  

**EVALUATION**  
The Department of Water’s policy is to provide water service (one 5/8-inch water meter) to vacant lots of record within its respective service area. In addition, the Department provides water service for an ADU provided there are no restrictions in said service zone. The Department must account for “Kaua’i Habitat for Humanity” subdivision phase II because DOW comments have been provided for said subdivision without the requirements for additional source or storage facilities.

**CONCLUSION**  
Based on the ‘Ele’ele Water System’s constraints relative to source and transmission requirements, to simply look at available source and storage capacities may be misleading.

Additional source, storage facilities and transmission must be provided in order to allow full development of these future developments, unless the A&B provides the necessary documentation that the ‘Ele’ele booster pumps, 27-inch transmission main and storage tanks were sized for these additional developments.

**RECOMMENDATION**  
1) It was recommended that the Board not approve the applicant’s request to include the Ele’ele Industrial Park Subdivision and Ele’ele Residential development site in the Ele’ele water service area and instead affirm the
Department's recommendations that was made for various land use designation, zoning amendment, and SMA(U) permit and subdivision applications that indicated that the development area is outside the service area for which the Department's General Plan for Domestic Water was prepared.

2) It was recommended that the Board not approve the applicant's request and to use the existing water source and storage capacity from the Department's existing water system facilities and instead require the applicant to prepare and receive Department approval for a water master plan for full development of the A&B 72-acre 'Ele'ele multi-use development that was conditioned by the various State and County agencies prior to final subdivision or building permit approvals.

Staff Testimony:
Acting Manager Ushigome stated that copies of the Boundary Amendment, Finding of Fact and Conclusion of Law, and Decision and Order were given to the Board for their information. This document required A&B to provide source, storage and transmission lines for their proposed project.

She also stated that at the last Board Meeting, the Board requested that the Department to review the Ele'ele Water System's capacity to see whether the Department and A&B could determine how much source A&B was asking for and how much the Department wanted to reserve for future infill growth and if the Board was contemplating a temporary allocation as a consideration. However, the Department's recommendation is still the same, as the Boundary Amendment document requires A&B to provide the source, storage, and transmission lines.

A&B Testimony:
Mr. Shigemoto stated that he questioned at the last Board Meeting on the available water source capacity, what in the Water System Standards (WSS) does the staff uses to calculate demand. Mr. Shigemoto could not find the 750 gpd figure in the WSS as all it references is 500 gpd per unit. Mr. Fujikawa stated that they use 750 gpd per unit to calculate demand. However, the WSS does require 750 gpd storage and pump capacity but not for demand. This difference is the whole crux of the matter. Mr. Shigemoto added that per their calculations there is enough water for possibly their 2 projects but at least for the industrial subdivision.

Mr. Shigemoto also stated that Mr. Fujikawa's last report does show that there is enough source capacity, with minimal to zilch in storage, which they can work around. He added that although the decision and order (D&O) by the State Land Use Commission's requirements are on record but wanted to clarify that the DO does state the conditions that were imposed: the petitioner shall provide 'the necessary' water source, storage and transmission facilities to serve the proposed project; however, they felt that there is sufficient water source.

Mr. Shigemoto discussed that they were told initially that they were out of the service; however, he believes their project is in the water service area and is they should be entitled to some water. Therefore, he asked if there is sufficient water, could they use the water or not? Also, if not, why not and what do they need to do.
Mr. Shigemoto also discussed that they could work around the storage tank issue by doing a water master plan.

Mr. D. Fujimoto stated that he has 2 issues: 1) he wanted staff to explain why they use 750 gpd, and 2) the previous Mayor had a strong desire for affordable housing in that area and his vision was to push that project in that area; therefore, he wanted to know if excess water was geared for the proposed affordable housing project.

Mr. Fujikawa stated that the criteria for the 750 gpd that is used to determine the capacity of certain things in the water system. For example, if we are trying to size a pump, the criteria that they use is that the amount of water that the pump should be able to pump should be at least be able to deliver the maximum day demand. The MDD is defined by the standards by the amount of water on the maximum day demand for that year. The WSS defines it as being a factor of 1.5 x ADD.

Mr. Fujikawa added that they are trying to define, without the benefit of a water master plan, and apply engineering calculations based on the WSS on how much of the adequacy of the source capacity for the system. Instead of using ADD like A&B perceives it to be, staff uses MDD as MDD is the criteria for determining the capacity of a source facility.

Mr. Fujikawa added that they use MDD to cover the hot summer months, otherwise the pump would be undersized. He discussed that the WSS tend to be conservative; therefore, they want to be sure that the facilities are not underdesigned so the facilities would be capable of handling high peak demands during the hot summer months.

Mr. Fujikawa discussed that for storage there are 2 criteria, one is to have enough reserve in the tanks for fire protection, because the pumps are not size for fire protection but sized for MDD to fight a fire.

Mr. D. Fujimoto stated that may be the table in the WSS needs to be revisited and adjusted. Mr. D. Fujimoto asked Mr. Fujikawa if he follows the same standards for any and all developments to establish the water demand. Mr. Fujikawa stated affirmatively.

Mr. Doi informed Mr. D. Fujimoto that there is a demand factor that would tie in the 1.5 criteria in one of the WSS tables. Mr. D. Fujimoto requested that Mr. Shigemoto be informed about that table...Staff concurred.

Mr. Shigemoto stated that there is nothing in the WSS that 750 gpd needed to be used of the demand calculations. Mr. Fujikawa added that 750 gpd is not used for demand calculations but used to calculate the capacity that requires in the system. The demand is set at 500 gpd and the 750 MDD is used as the criteria for designing the source or storage facilities. Mr. Fujikawa added that this is what a water master plan would address and determine, based on the criteria, the WMP would identify what system improvements probably would be needed for a new development to get online.
Mr. D. Fujimoto stated that we may need to clarify the WSS, especially if there is confusion of using 500 gpd or 750 gpd, as the WSS is the customer’s guide to verify the feasibility of their project.

Mr. D. Fujimoto questioned if the proposed affordable housing projects were part of the source calculations. Mr. Fujikawa stated that he was not aware that the County was planning a 200 unit affordable housing project as part of the Mayor’s vision. Mr. Shigemoto added that this proposed County affordable housing project would be problematic as it is definitely out of the water service area.

Mr. Shigemoto added that the WSS should reference the use of 750 gpd in its calculations.

Acting Manager Ushigome discussed that the capacity of the distribution system shall deliver MDD simultaneously with fire flow so the MDD is average x 1.5.

On query by Mr. Shigemoto on the reason for certain tables in the WSS, Acting Manager Ushigome stated that these standards were adopted statewide by all of the water departments.

On query by Mr. Costa, Mr. Shigemoto stated that he was not aware of the details of the transfer of the Hanapepe/Ele’ele water facilities that were once McBryde’s property to the DOW. This transfer happened prior to the onset of their present 2 projects that are now before the Board, as well as their Ele’ele Nani Subdivision.

Mr. Shigemoto added that A&B subsequently did improve the mainline that goes to Port Allen by installing 16-inch and 12-inch waterlines.

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that Hanapepe has 3 wells in Hanapepe Valley and 1 well in Hanapepe Heights, which is the most recent. There are no wells in the Ele’ele area. As Ele’ele is higher than Hanapepe, the booster pump brings water from Hanapepe Valley to Ele’ele.

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that Hanapepe’s source is reliable as the wells are interoperable; however, one of the wells (Hanapepe Well No. 1) is out of service at this time.

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that it is possible if another booster pump was installed at one of the wells that the source could be increased; however, would need to be sensitive to the geology of the area. Mr. D. Fujimoto added that having the redundancy of having 2 booster pump stations would increase the reliability of the system.

Acting Manager Ushigome read Page 19, Paragraph 63 of the DO for A&B’s project, which stated that a new well would have to be drilled and a new tank would have to be constructed to service the property, onsite distribution and upgrade all transmissions, etc.

Acting Manager Ushigome was wondering what authority does the Board have to supersede or not to comply with the LUC decision and order. Mr. Shigemoto
responded that the Board cannot supersede the DO, as A&B would have to comply with the order. Mr. Shigemoto concurred that the document stated that A&B would need to drill a new well; however, it did not say that A&B would be fully funding that project and totally responsible.

Mr. Shigemoto added that the population projections that were in the application, based on the County's projections, it was super inflated.

Mr. Shigemoto also added that although it was stated that they would need to drill a well in the report, why would they have to do that now when it shows that there is enough water. They had concurred with the report when the project was first done many years ago if it was necessary they would do it.

Acting Manager Ushigome asked that since the Water Board cannot supersede the LUC's decision maybe the first step would be that A&B should go back to the LUC to have it clarified or to have the decision updated. Mr. Shigemoto opined that the Board would not supersede but the DOW could verify with our legal counsel.

Mr. Kawate stated that he could not make formal legal opinion but generally speaking that (inaudible).

Mr. Crowell stated that a condition is based on findings and he felt that an order is still an order. He referenced Page 35, Condition 13 that needed to be clarified.

Mr. Shigemoto stated that they do not want the Board to overrule or to do something different then the LUC's decision. He felt that the LUC would want them to work it out with the affected agencies.

Mr. Nishimura inquired whether the Habitat for Humanity's, Phase 2 Project was in the same area as A&B's 2 proposed projects, which would have been part of the Land Use Boundary Adjustment Application? Mr. Shigemoto concurred. Mr. Fujikawa added that Habitat did receive tentative subdivision approval and the DOW did not require source or storage. Transmission lines were the only requirement.

On query by Mr. Costa, Mr. Shigemoto stated that they do have a 60% requirement for affordable housing for the 72 acres. There were planning on using the 24 of those 72 acres for market value housing; however, Habitat approached them to purchase it. They consummated the purchase with Habitat. A&B then rezoned 28 acres; whereby, they now need to have 60% for affordable housing. Mr. Shigemoto added that they got a staff report that there is not enough water for both parcels.

On query by Mr. Costa, Mr. Shigemoto stated that the current affordable housing policy is 30%.
Mr. K. Fujimoto reminded the Board that at a couple of meetings ago, they were given a presentation on the lone existing waterline in the area that the Department is really dependent on.

Mr. Costa reminded the Board that 2 local companies, A&B and Grove Farm, have committed and provided 60% of affordable housing at a time when the County
requirement was actually 15%. Both of these companies built their affordable housing first.

As it was about 11:30 a.m. for our scheduled conference call with our consultant, an Executive Session intervened at this time.

**Executive Session:**
ES-2007 (12-13-07 & 2-14-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with Legal Counsel regarding questions and issues pertaining to the Board's and Department of Water's liabilities, powers and duties regarding personnel, labor and employment issues. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

Mr. Nishimura moved to go into Executive Session on the matter that was noticed per the Agenda as stated above at about 11:33 a.m., seconded by Mr. Crowell.

There was no Board discussion and no public testimony. Motion was carried. Staff and guests were excused from the meeting.

The Regular Meeting was called back to order at 12:20 p.m.

**Re:** Request to Testify by A & B Properties, Inc. for a Request for Water Service, 'Ele'ele Industrial Park Subdivision, TMK: 2-1-02:051 and Eleele Residential Development Site, TMK: 2-1-02:003, Portion, 'Ele'ele, Koloa, Kaua'i, Hawai'i, affecting a total area approximately 48 acres – (CONT'D)

Mr. Shigemoto reiterated that they are now asking for water for only their industrial project so why would they need to do a water master plan. Mr. Fujikawa stated that from a planning standpoint, they would want to see a water master plan for the entire area, including the affordable housing. They would then have a better picture on what type of water facilities would be appropriate for the area. Then the phasing of the facilities could be phased concurrently with growth in the area.

On query by Mr. Costa, Mr. Shigemoto stated that they would not return to the LUC to remove the residential portion. Mr. Shigemoto stated that they would have to do a housing water master plan first, and if they cannot work out some deal with Habitat to get credits for assisting them, A&B would have to return to the LUC and the Kaua'i County Council to reduce the 60% affordable housing requirement. He added that even if the requirement was reduced to the County's 30%, still nothing would happen.

On query by Mr. Costa, Mr. Shigemoto stated that A&B still wants to do the residential development. However, at this time, the 60% affordable housing requirement would definitely not work, just as much as drilling a well for that development would make it impossible to do.

Mr. Costa added that a water master plan would show everything that A&B wants to do.
On query by Mr. Shigemoto if Habitat could be deleted from the water master plan since they already have water, Mr. Fujikawa stated that the water master plan should include what was approved with the LUC.

Mr. Nishimura asked how come Habitat did not also have to do a water master plan. Mr. Fujikawa replied that the Mayor did come to one of our previous Board meetings to urge the previous Board members to give whatever consideration possible for affordable housing projects. Mr. D. Fujimoto stated that the Board did say then they would support affordable housing in whatever way they could.

On query by Mr. Costa, Mr. Shigemoto that since there is enough water only for their industrial project, they will only go ahead with that for now and if they have to construct a storage tank then so be it.

Mr. Shigemoto summarized that all calculations show that there is excess water now that would be able take care of their proposed industrial project and asked the Board if they all agreed that there was excess capacity, then he would request the Board to approve their request. Then if they need to provide excess storage then they would do a water master plan for the industrial subdivision to find out what type of storage they need to build.

Mr. Shigemoto added that when they apply for approval of their 28 acres, if they have to do source, storage and transmission, they would do another water master plan, which would indicate what needs to be done and whether that 28 acres is a feasible project or not.

Mr. Shigemoto discussed that at such time that County Housing does start their affordable housing project, they would probably need to do a water master plan too and they may also have a source requirement that possibly A&B could partner with them.

Acting Manager Ushigome reiterated that A&B needs to show how they will satisfy the water demand for the industrial project, multi-family residential and any subsequent partnering that they will develop, etc. She referenced the LUC again that states that they need to have the necessary water for their proposed project. She added that her recommendation still remains the same.

Mr. Shigemoto added that the LUC’s ‘necessary’ water improvements are only applicable at the time of application and dependent on the water situation. You do the improvements if it is necessary; likewise, you do not have to do the improvements if it is not necessary. Therefore, Mr. Shigemoto felt that there is no violation as far as the LUC’s decision.

Based on numbers from Mr. Fujikawa, Mr. Shigemoto made the following calculations to show that there is extra source capacity:

Current demand: 0.662
Pending demand: 0.215 (using 750 gpd)
Total demand: 0.877
Available source: 1.15
Total demand: - .877
Residual: .273 gpd
A&B Industrial: - .120 gpd
Residual: .153 gpd

Mr. James Hasenyager of A&B added that their consultant engineers will take care of the transmission requirement aspect, which they will design and will be shown on the construction plans. Mr. Costa added that the Department's concern would be that they would not want to impact our existing customers.

Mr. Costa added that the pending demand for additional dwelling units (ADU), etc. is not guaranteed water usage. Mr. Kyono felt comfortable that there was enough source available.

Mr. D. Fujimoto moved to approve granting A&B's application after reviewing the source calculations, as he felt that it was clear and he felt comfortable that there is sufficient source for the development, and the developer has agreed to address storage and transmission, seconded by Mr. Kyono.

Mr. Shigemoto added that by covenants, 'Ele'ele Nani I and II cannot build ADUs; both subdivisions consists of 324 lots, which was eliminated from the calculations.

Mr. Kyono stated that A&B is a local company that has been in business for a long time and a good contributor to the community and a good neighbor; therefore, he felt confident that they would not walk away from their commitment.

Mr. Kawate requested that the motion be revised to reflect only the applicant's request for source for only their industrial project.

Mr. D. Fujimoto moved to revise his motion to approve the applicants' request for industrial source only of .12 MGD per MDD source capacity, seconded by Mr. Kyono.

On query by Mr. Nishimura, Mr. D. Fujimoto concurred that the approval was for a maximum of .12 MGD allocation of source. Mr. Nishimura also questioned at what point would A&B required to do their Water Master Plan, which A&B indicated that they are willing to do. Mr. Crowell responded that would resurface when they go through the subdivision application process.

Mr. Shigemoto added that they do have an SMA permit and subdivision application with no tentative approval yet being processed in the Planning Department, which they would need to address the DOW's requirements at that time. He felt that at least it is clear that they do not have to drill for source. Mr. Nishimura added that they have a maximum of .12 MGD for source.

On query by Mr. Costa, Mr. Shigemoto concurred that it would be workable for A&B to have the requirement to do the Water Master Plan before getting final subdivision approval for their entire project. This would work out their storage and transmission issues for the subdivision.
On query by Mr. Costa, Mr. Fujikawa stated that the .12 MGD source capacity is A&B’s calculations.

Motion was carried.

Mr. Shigemoto, Mr. Yasui, and Mr. Hasenyager left the meeting at about 1:05 p.m.
Recess: 1:05 – 1:15 p.m.

Re: Request Board Approval of Additional Funding for Contract 474 for Special Counsel to Provide Advice, Counsel, and/or Representation in Civil Matters in the Court System including, but not limited to Administrative Law, Personnel Law, Labor and Employment Law

Mr. Kawate stated that pending further developments, it may be within the Board’s decision to re-visit and re-agenda this matter for the next Board Meeting.

Ms. Esaki requested that the Board approve the additional funding to ensure that there is enough money to pay our consultant’s invoice of his activities that were already done, just in case the allotted funding was not enough.

On query by Mr. Costa, Ms. Esaki stated that there was enough of the allotted funds to pay the last invoice of $35,000; however, she was not sure of the cost of the conference call today and if there were any other miscellaneous costs. Also on query by Mr. Costa, Ms. Esaki stated that with the funds that were already budgeted, there would be a balance of about $2,500 after the last invoice of $35,000 was paid. As she was not sure if that amount was enough to pay our outstanding invoices, she requested that the Board approve at least additional funding of $5,000 instead of the $25,000 initially requested for the remaining work.

There was a lot of Board discussion on why this matter should be deferred instead and wait to see the contents and the results of our consultant’s report. Ms. Esaki continued to request at least $5,000 additional funding so she would not have to return to the Board on this matter again if there was not enough money to pay our consultant for work already executed. Ms. Esaki added that if not all of the $5,000 were used then the unused monies would lapse into the DOW general fund. She also added that if the Board wants to further continue with their services at a later date then this matter could be brought back for Board approval.

On query by Mr. Costa, Ms. Esaki stated that the Board approved a budget of $100,000 for this project, with about $65,000 already spent.

Mr. Costa moved to approve $5,000, seconded by Mr. Kyono. Mr. Nishimura voted nay. Motion was carried.

Re: Job No. 92-4, KP-01, Koloa Well F Pump Controls and Pipeline (State Well No. 5425-15), Poipu, Kauai, First Contract Amendment to revise the subdivision map

RECOMMENDATION: It was recommended that the Board approve the first contract amendment with Okahara and Associates, Inc., consultants for this project for revising the subdivision map due to the realigned blow off discharge piping.
The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Thursday, August 14, 2008. Chairperson Roy Oyama called the meeting to order at 9:10 a.m. On roll call, the following answered present:

**BOARD:**
- Mr. Roy Oyama, Chairperson
- Mr. Ian Costa (left meeting at about 2:00 pm)
- Mr. Dee Crowell (left meeting at about 11 am)
- Mr. Steven Kyono
- Mr. Randall Nishimura

**Absent & excused:**
- Mr. Donald Fujimoto
- Mr. Leland Kahawai

**STAFF:**
- Ms. Wynne M. Ushigome
- Mr. Paul Ganaden
- Mr. Gregg Fujikawa
- Mr. William Eddy
- Mr. Keith Fujimoto
- Mr. Bruce Inouye
- Ms. Faith Shiramizu
- Ms. Amy Esaki
- Mr. Edward Doi
- Mr. Dustin Moises
- Ms. Heather Kubota, Summer Intern
- First Deputy County Attorney Harrison Kawate (left meeting at about 11 am)

**GUESTS:**
- Ms. Ann Hajnosz, RW Beck (left meeting at about 11 am)
- Mr. Tom Jacobs, RW Beck (left meeting at about 11 am)
- Mr. Mark Salmon, RW Beck
- Mr. Lindsay Crawford, Kukui‘ula Development LLC (left at about 12:30 p.m.)
- Mr. Ben Garfinkle, Applicant (left meeting at about 12:20 p.m.)
- Mr. Max Graham, Mr. Garfinkle’s Legal Counsel (left at about 12:20 p.m.)
- Mr. Ben Wellborn, Mr. Garfinkle’s consultant (left meeting at about 12:20 p.m.)
- Mr. Tom Nance, Mr. Garfinkle’s consultant (left meeting at about 12:30 p.m.)
- Mr. Tom Shigemoto, A&B Properties (left at about 1:05 p.m.)
- Mr. Cesar Portugal (10:35 a.m. to 12:20 p.m.)
- Ms. Eleanor Cox (left at about 1:15 p.m.)
- Ms. Lilian Silva, Ms. Cox’s daughter (left at about 1:15 p.m.)
- Ms. Clara Leasau, Ms. Cox’s daughter (left at about 1:15 p.m.)
- Ms. Heidi Rogers, Ms. Cox’s spokesperson (left at about 1:15 p.m.)
- Ms. Yolanda Portugal (left at about 1:15 p.m.)
- Mr. Mike Tresler, Grove Farm (1:50 – 2:00 p.m.)

**AGENDA**
In order to maximize the effective use of the Board members present, Acting Manager Ushigome requested to re-order the Agenda since it was anticipated that there would be quorum problems to hold Executive Session matters and to consult with the Board’s Special Counsel.
Mr. Crawford:
Mr. Crawford stated that most, if not all, of the water system improvements were built, pressure tested and chlorinated with the exception of Subdivision Y, which they basically failed a chlorination test. It was felt they were not filling the pipeline fast enough; therefore, they are working with their contractor to upgrade the pump rate to fill the line, which they hope to help them pass the test by the end of this month.

Mr. Crawford discussed that they recently found a problem with the spillway elevation with their Piwai pipeline and tank did not match the Akemama Tank. When they tried to startup the tank, the tank overflowed. Mr. Crawford stated that he and some of the DOW engineers will meet next week to work together to try and resolve this problem.

Mr. Crawford added that other than that progress is good. They submitted one half of their conveyance documents to the DOW and should be getting all done in the next few months.

On query by Mr. Nishimura, Acting Manager Ushigome stated that the Piwai Tank controls the well.

On query by Mr. Nishimura, Mr. Crawford stated that due to the miscalculation of the spillway elevations, before the Akemama Tank can be filled with water from the Piwai Tank, water overflows from the Piwai Tank. The Akemama Tank is 2.7 feet short of filling up.

Mr. Crawford stated that they will work towards a solution to make sure that all are satisfied.

On query by Mr. Nishimura, Mr. Crawford stated that Acting Manager Ushigome signed the Plantation Core Waiver, Release and Indemnity Agreements about two weeks ago and they will be picking up the building permits for that project that afternoon. Mr. Crawford added that they submitted the first 10 residential waivers to the DOW for their review and signatures.

Mr. Nishimura moved to receive this report, seconded by Mr. Costa; motion was carried.

Mr. Crawford and Mr. Nance left the meeting at about 12:30 p.m.


Mr. Tom Shigemoto of A&B Properties, Inc. was present at the meeting.
Acting Manager Ushigome reported on the following:

RECOMMENDATION
The Department recommended the Board approve a motion for reconsideration on the approval of the 0.12 MGD source allocation for the A&B Industrial Park Subdivision, whereby, the Board can provide clarification to the Department’s questions.

Acting Manager Ushigome explained that there is no specific process to follow for the Department to get clarification on the Board’s previous motion; therefore, the reconsideration process was used as a vehicle to allow the Department to bring back this agenda item to get clarification on the Board’s previous motion.

She added that per the reconsideration process, the Board would need to decide at this meeting whether they would want to approve the reconsideration of the motion. If the Board does approve the reconsideration process, then at the next Board Meeting, this matter would be on the Agenda again to reconsider and/or clarify the motion.

ACTIONS REQUIRED:
The Department is requesting clarification on the intention of the Board’s July 15, 2008 motion to approve A&B’s request for the 0.12 MGD source allocation for their Industrial Park project.

A&B asked the Board to waive their obligations as set forth in the Land Use Commission’s Finding of Fact, Conclusion of Law, and Decision and Order which required the Petitioner (A&B Properties, Inc.) to provide source, storage and transmission as represented in their Petition for Amendment to the State Land Use District Boundaries – Reclassification of Certain Lands Situated at ‘Ele‘ele for Agricultural to Urban (TMK: 2-1-01 por. 3 and por. 27).

EVALUATION
With the approval of a source allocation of 0.12 MG, did the Board intend to establish a timeframe for A&B to develop?

Is the source allocation transferable to other A&B developments? Or, does the allocation run with the Industrial Park parcel, regardless if A&B owns it?

If the source capacity in the Hanapepe-‘Ele‘ele Water System becomes limited or insufficient (either from an increase in demand or decrease in source production), will the source allocation be withdrawn? Or, will the Board require for A&B to develop source capacity?

If the Industrial Park development exceeds the 0.12 MGD allocation, at any point in the future, did the Board intend to require A&B to provide required source? If so, specify the provisions to clarify the size, type, etc. And, how does the Board plan to document this requirement? In a recorded agreement?
On the flip side, if the 0.12 MGD is not fully utilized by A&B, how will the Board allocate the unused portion of the source capacity? Does it remain as an entitlement to A&B?
At what point, should a master plan be prepared?

LEGAL REQUIREMENTS:
State Land Use Commission’s Decision and Order, Docket No. A90-654 states, Petitioner shall provide the necessary water source, storage and transmission facilities to service the proposed project.

HRS, Section 205-12 states the appropriate officer or agency charged with the administration of County zoning laws shall enforce within each County the use classification districts adopted by the Land Use Commission and the restriction on use and the condition relating to agricultural districts under Section 205-4.5 and shall report to the Commission all violations.

County Ordinance No. PM-293-94 - Zoning Designation states the Petitioner shall construct water improvements, which may include a storage tank, connecting pipeline facilities, and adequate transmission facilities. The Petitioner shall resolve these requirements with the Department of Water prior to Final Subdivision approval for the proposed subdivision.

The Department recommended that the Board require A&B to fulfill its obligations as represented in their Petition for District Boundary Amendment. See attached DOW letter to the Office of State Planning dated May 21, 1990 which states the DOW as no objections to the Amendment to the State Land Use District Boundary provided that water source, storage and transmission facilities are upgraded prior to actual developments. This letter also states the area involved in the petition is outside the service area; hence, the Department’s recommendations remained consistent with the boundary amendment conditions.

CONCLUSION
The Board should develop a policy related to allocation of water supply and basis for water availability which will establish the criteria for departure from the Department’s procedures and practices.

A&B Testimony:
Chair Oyama suspended the rules to allow Mr. Tom Shigemoto of A&B Properties to speak at the meeting.

Mr. Shigemoto stated that he understood and had no problem with the Department’s request on clarifications; however, he was concerned about the reconsideration process that was used and if it would affect the Board’s previous motion. Mr. Shigemoto added that with the Planning Department, their reconsideration process is to reconsider the previous motion. He discussed that based on the Board’s previous motion, A&B’s subdivision process is moving forward.

On query by Mr. Nishimura, Mr. Fujikawa stated that any type of source, storage allocation to a zoning request would be valid unless the zoning request application is terminated. On that note, Mr. Nishimura asked Mr. Shigemoto if because of the
extenuating circumstances to Mr. Shigemoto’s request, would he accept more stringent conditions. Mr. Nishimura's example was to give a timetable to the validity of the allocation if the entire .12 MG allocation is not used within 25 years after final subdivision approval, then they would lose the allocation.

Mr. Shigemoto then asked why is this subdivision any different from any other subdivision? Mr. Nishimura stated that it could be argued 2 ways. He personally believed that there is excess water capacity, but subject to verification if it actually meets the needs of his project. He added that with that knowledge that there is potential water source capacity now; his feeling is why not use it? However, on the flip side, why should that source be held up, if A&B is not going to use it?

Mr. Shigemoto stated that they do want to be treated like any other developer. If there is enough water for their project, to have that water allocated to their project and if not available, so be it. He added that the allocation should stand as once their project gets final subdivision approval they need to have water reserved for the homeowners that will be buying their lots. However, he stated that he would not expect that water be reserved for them in perpetuity.

On request by Mr. Nishimura, Mr. Shigemoto attempted to answer the Department's following questions.

1. *With the approval of a source allocation of 0.12 MG, did the Board intend to establish a timeframe for A&B to develop?*

   Mr. Shigemoto answered that the Board did not establish a time frame. What is reasonable or fair is at the time of final subdivision approval, whatever water is available be allocated to their project up to 0.12 MGD.

2. *Is the source allocation transferable to other A&B developments? Or, does the allocation run with the Industrial Park parcel, regardless if A&B owns it?*

   Mr. Shigemoto replied that he did not think so as the source allocation was project specific.

3. *If the source capacity in the Hanapepe-‘Ele’ele Water System becomes limited or insufficient (either from an increase in demand or decrease in source production), will the source allocation be withdrawn? Or, will the Board require for A&B to develop source capacity?*

4. *If the Industrial Park development exceeds the 0.12 MGD allocation, at any point in the future, did the Board intend to require A&B to provide required source? If so, specify the provisions to clarify the size, type, etc. And, how does the Board plan to document this requirement? In a recorded agreement?*

   Mr. Shigemoto stated that if they get final approval and the source thereafter becomes insufficient and if the Board then requires A&B to provide source is unreasonable and unfair.
On query by Mr. Kyono, Mr. Shigemoto stated that if for some reason they sell the land for this project, he agreed that all should be inclusive and run with land.

5. **On the flip side, if the 0.12 MGD is not fully utilized by A&B, how will the Board allocate the unused portion of the source capacity? Does it remain as an entitlement to A&B?**

Mr. Shigemoto stated that he did not know the answer to this question; the DOW staff would need to explain their past practice with this situation.

6. **At what point, should a master plan be prepared?**

Mr. Shigemoto stated that the water master plan is normally required when the subdivision application is made.

On query by Mr. Nishimura, Mr. Shigemoto concurred that they are not asking for any special considerations.

On query by Acting Manager Ushigome, Mr. Fujikawa stated that once the minutes of the last meeting are done, they will review the minutes once it is approved and then try to interpret what the Board approved. Thereafter, staff will report on their findings and their recommendations for next steps.

On query by Mr. Doi, Mr. Shigemoto stated that it is also his understanding that the water master plan would be a requirement of the industrial subdivision.

Mr. Costa moved to defer this matter, seconded by Mr. Kyono; motion was carried. Mr. Costa moved to amend his motion to defer this matter to the next Board meeting to ensure concurrence from a broader representation of the Board and to allow more time to ensure that both Board and staff are satisfied with all clarifications, seconded by Mr. Kyono; motion was carried.

*Mr. Shigemoto left the meeting at about 11:00 a.m.*

Re: *Job No. 04-02, WK-14, Pipeline Replacement for Vivian Heights and Kanaele Road for Phase II Implementation and Additional 2,500 Feet of 8-inch Waterline along Kanaele Road, Kapaa, Kauai, Second Contract Amendment with Fukunaga and Associates*

**RECOMMENDATION:**
It was recommended that the Board approve the second contract amendment totaling $94,100.00 for Contract No. 447 with Fukunaga and Associates, Inc, for the subject project.

It was further recommended that the Board appropriate $94,100.00 from Account 106B, CIP Reserve to fund the balance required.
REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Tuesday, September 16, 2008

The Board of Water Supply, County of Kaua‘i, met in regular meeting at its office in Lihu‘e on Tuesday, September 16, 2008. Chairperson Roy Oyama called the meeting to order at 10:15 a.m. On roll call, the following answered present:

BOARD: Mr. Roy Oyama, Chairperson
Mr. Ian Costa
Mr. Donald Fujimoto (left meeting at about 1:05 p.m.)
Mr. Leland Kahawai
Mr. Randall Nishimura

Absent & excused: Mr. Dee Crowell
Mr. Steven Kyono

STAFF: Ms. Wynne M. Ushigome
Mr. Paul Ganaden
Mr. Gregg Fujikawa
Mr. William Eddy
Mr. Keith Fujimoto
Mr. Bruce Inouye
Ms. Faith Shiramizu
Ms. Amy Esaki
Mr. Edward Doi
First Deputy County Attorney Harrison Kawate (left meeting at about 1:05 p.m.)

GUESTS: Mr. Lindsay Crawford, Kukui‘ula Development LLC (left at about 10:35 a.m.)
Mr. Ben Garfinkle, Applicant (left meeting at about 12:20 p.m.)
Mr. Max Graham, Mr. Garfinkle’s Legal Counsel (left at about 12:20 p.m.)
Mr. Ben Wellborn, Mr. Garfinkle’s consultant (left meeting at about 12:20 p.m.)
Mr. Tom Nance, Mr. Garfinkle’s consultant (left meeting at about 12:30 p.m.)
Ms. Heidi Rogers, Ms. Cox’s spokesperson (left at about 1:05 p.m.)
Ms. Lillian Silva, Ms. Cox’s daughter (left at about 1:05 p.m.)
Ms. Lani Nakazawa, Office of the Mayor (left at about 1:55 p.m.)
Mr. Glenn Sato, Office of Economic Development (left at about 1:55 p.m.)
Mr. Tom Shigemoto, A&B Properties (left at about 2:45 p.m.)
Mr. James Hasenyager, A&B Properties (left at about 2:45 p.m.)

AGENDA
Mr. Costa moved to approve the Agenda, seconded by Mr. Kahawai; motion was carried.

MINUTES
Mr. Nishimura moved to receive the Regular Meeting minutes of Thursday, August 14, 2008 and place on file, seconded by Mr. Costa; motion was carried.

CORRESPONDENCE: None
addresses the Department's nine (9) concerns of the Board Report dated August 7, 2008 and that the Agreement spell out the use of acceptable materials which would not include HPDE and the Agreement be submitted for Board approval after Department and County Attorney's Office, seconded by Mr. D. Fujimoto.

Mr. Kawate corrected that the Board Report was dated September 10, 2008. Mr. Costa concurred on the correction.

Chair Oyama called for a vote: All was aye except Mr. Nishimura voted no. Motion was carried.

Mr. Kawate asked for a timeline for the Agreement. Mr. Costa stated that the draft Agreement should be given to the Department and Board prior to the next Board Meeting on October 9, 2008.

Mr. Graham thanked the Board.

Mr. Graham, Mr. Welborn, Mr. Garfinkle and Mr. Nance left the meeting at about 12:20 p.m.

Re: Request Board Approval for Reconsideration and Clarification of the Motion Made at the July 15, 2008 Board Meeting on Agenda Item: Testify by A & B Properties, Inc. for a Request for Water Service, 'Ele'ele Industrial Park Subdivision, TMK: 2-1-02:051 and Elelele Residential Development Site, TMK: 2-1-02:Portion 003, 'Ele'ele, Koloa, Kaua'i, Hawai'i

Mr. Tom Shigemoto of A&B Properties, Inc. was present at the meeting.

Acting Manager Ushigome submitted the following report:

This agenda item was deferred at the August 14, 2008 Board Meeting to allow Board members who were present at the meeting more time to clarify their motion and a deferral would allow members who were absent a chance to participate in the discussion. Board Report dated August 7, 2008 was referenced for the Department's findings and evaluations of the Applicant's request.

Acting Manager Ushigome reminded the Board that the Department's Rules and Regulations and Water System Standards, as amended are adopted in accordance with Section 91-3 and 91-4, Hawai'i Revised Statutes. These documents establish the criteria by which the Department evaluates sources of supply, fire protection, storage, transmission, and distribution systems capacity. In light of the Board's action, if the Department is not implementing the Rules and Regulations correctly, or is not applying the standards appropriately, then the Board needs to clarify or amend its rules and standards.

Beside the rules and standards, there are also administrative policies and procedures that guide the actions of the Department. Water system polices guide the development of the water system infrastructure. These required infrastructure
improvement ensure the Department is capable of providing safe, adequate water service throughout the island. Board policies often have far-reaching impacts on many areas of the water systems development, including planning, sizing, and establishing redundancy for operational emergencies.

In researching how other agencies apply or seek clarification of conditions or requirements relating to development, more particularly, conditions of the Land Use Commission’s (LUC) Decision and Order. I came across a similar situation where the Planning Department required the Applicant obtain a Declaratory Ruling from the State LUC regarding the proposed development as it related to conformance with the land use requirements specified in Chapter 205 of the Hawai‘i Revised Statutes. In this instance, the Applicant was required to submit the ruling to the Planning Department prior to final subdivision approval.

Again, as provided in the August 7, 2008 Board Report, HRS Section 205-12 states the appropriate officer or agency charged with the administration of County zoning laws shall enforce within each County the use classification districts adopted by the Land Use Commission and the restriction on use and the condition relating to agricultural districts under Section 205-4.5 and shall report to the Commission all violations.

Finally, as you know, the Department of Water operates 11 separate potable water systems on the island. Each system is unique and many of the systems lack required source and storage capacities to meet the maximum day demands (MDD) of the water system. However, understanding these system constraints and planning for the driest, hottest day of the summer is the reason why the Department has its technical staff to advise the Board. The Department’s staff is knowledgeable and they are tasked with ensuring safe, affordable and adequate supplies of drinking water are available for the residents of our communities.

Conclusion
The Board should develop a policy related to allocation of water supply and basis for water availability, which will establish the criteria for departure from the Department’s procedures and practices.

Recommendation
The Department recommends the Board approve a motion for reconsideration on the approval of the 0.12 MGD source allocation for the A&B Industrial Park Subdivision.

Board Discussion:
Mr. Kawate informed Chair Oyama that the Reconsideration Motion is on the floor but was not acted upon so it can be voted on today.

On query by Mr. D. Fujimoto, Acting Manager Ushigome stated that the Department wanted to get clarification on the Board’s previous motion and their intent as there was no other vehicle to get clarification but through this reconsideration process.

Chair Oyama called for a hand vote on the reconsideration motion. Mr. Costa voted yes and Mr. Kahawai, Mr. D. Fujimoto, Mr. Nishimura, and Chair Oyama voted no.
Motion denied for reconsideration.

Mr. Shigemoto thanked the Board.

Re: Request to Testify by Eleanor M. Cox for Subdivision of Lot 37-D, Portion of the Consolidation of Portion of Grant 11224 (Abandoned Railroad Right of Way), Lot 37, Grant 6226, and Lot 38, Grant 6216, into Lot 37-D-1 and Lot 37-D-2, 'Oma'o, Kaua'i, Hawai'i, TMK: (4) 2-7-05: 28, S-2005-26

Ms. Heidi Rogers, Ms. Cox client spokesperson, and Ms. Lillian Silva, daughter of Eleanor Cox, were present at the meeting.

Staff Report:
PROJECT: Subdivision of Lot 37-D, Portion of the Consolidation of Portion of Grant 11224 (Abandoned Railroad Right of Way), Lot 37, Grant 6226, Lot 38, Grant 6216, into Lots 37-D-1 and Lot 37-D-2, 'Oma'o, Kaua'i, Hawai'i, TMK: (4) 2-7-05: 28, S-2005-26
APPLICANT: Eleanor M. Cox

This agenda item was deferred at the August 14, 2008 Board Meeting. Board Report dated May 29, 2008 was referenced for the Department’s finding and evaluation of the Applicant’s request.

Section XIV, Part 3 of the Department’s Rules and Regulations state the terms and conditions of executing a Non-Development Agreement with the Department. The Non Development Agreement’s restrictive language was purposefully crafted specifically to assist families who wished to convey and transfer interest in real property between themselves without immediately complying with DOW rules, construction standards, and specifications imposed when family members request subdivision.

Essentially, the Non-Development Agreement will prevent any development and construction of any dwelling unit on either of the proposed lots once the Non-Development Agreement is executed and final subdivision approval is granted.

Development as defined, includes, but is not limited to:
(1) the construction, reconstruction, alteration, remodeling, renovation, or repairing of single-family residences, additional dwelling units, or any other dwelling, building, or structure of any kind on or within the property being subdivided, or
(2) the construction of additions or extensions to any dwelling, structure, or building existing as of the date of this agreement, or
(3) the construction, reconstruction, installation, alteration, or repair of piping, wastewater systems, landscaping or irrigation systems which result in increased fire protection requirements arising because of the property’s development, increased consumption of water upon the property being subdivided, calculated from the date of the agreement described in this section, or which may, in the Department’s judgment, possibly contaminate
EXHIBIT 3
May 11, 1990

The Honorable Raymond H. Sato
Manager & Chief Engineer
Department of Water Supply
County of Kauai
P. O. Box 1706
Lihue, Hawaii 96766

Gentlemen:

Subject: Petition for Amendment to the State Land Use District Boundaries

We have received the following petition requesting a District Boundary change:

Petition: A90-654 (A & B Properties, Inc.)
Requested Change: Agricultural to Urban
Proposed Use: Residential subdivision, industrial and commercial uses
Eleele, Kauai
TMK: 2-1-01: por. 3 and por. 27
Area: Approximately 72.6 acres

We are transmitting the subject petition for your review and comments. We are particularly interested in information regarding your Department’s existing and proposed programs for the subject area and the anticipated effects of the boundary change on these programs. Any available maps, statistics or other information which you feel are applicable would also be appreciated.

May we have your comments by June 27, 1990. If there are any questions on the petition, or if you are not able to meet the above deadline for comments, please contact the Land Use Division.

Sincerely,

Harold S. Masumoto
Director

Attachment: A90-654

Exhibit 3
May 21, 1990

Mr. Harold S. Masumoto
Director, Office of State Planning
State Capitol
Honolulu, HI 96813

Re: Petition for Amendment to the State Land Use District Boundaries - Reclassifying Certain Lands Situated at Elele from Agriculture to Urban (TMK: 2-1-01:por. 3 and por. 27)

We have no objections to the Petition for Amendment to the State Land Use District Boundaries provided that water source, storage and transmission facilities are upgraded prior to actual development or subdivision of this area.

At the present time, our source, storage and transmission facilities are not able to handle the proposed development.

The area involved in this petition is outside the service area for which the Department's General Plan for Domestic Water was prepared. If this area is urbanized, new source, storage and transmission water system facilities will have to be developed to serve the additional water demand of this area. Presently, the Department's capital improvement plans do not include water facility improvements for the proposed area or development. However, the Department may allow the developer to develop necessary water system improvements provided they are constructed to the Department's standards.

Raymond H. Sato
Manager and Chief Engineer

ED:at
EXHIBIT 4
ORDINANCE NO. PM-293-94 BILL NO. 1641

A BILL FOR AN ORDINANCE AMENDING CHAPTER 8, KAUAI COUNTY CODE 1987, RELATING TO ZONING DESIGNATION IN PORT ALLEN, KAUAI (A&B Properties, Inc.)

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII:

SECTION 1. The zoning designation for that certain area in Port Allen, Kauai, identified as TMK: 2-1-01: 3, as shown on Zoning Map EM-H-200 and on the map attached hereto and incorporated herein as Exhibit ZA-94-8, is hereby amended from "Agriculture District (A)" to "General Industrial District (IG)," subject to the following conditions:

1. To address the comments raised by the State Historic Preservation Division (SHPD), prior to any construction or ground disturbing activities the Petitioner shall implement applicable temporary measures (such as protective fencing) to protect the Japanese Cemetery situated to the southeast of the project site. The Petitioner shall resolve the specifics of such measures with the Planning Department and the SHPD. Should any historical artifacts, shell or charcoal deposits, burials and stone pavings be discovered during construction within the petitioned area, the Petitioner shall stop work in the immediate area and contact the SHPD.

2. As recommended by the Department of Water, the Petitioner shall construct water improvements, which may include a storage tank, connecting pipeline facilities, and adequate transmission facilities. The Petitioner shall resolve these requirements with the Department of Water prior to Final Subdivision approval for the proposed subdivision.

3. As recommended by the State Department of Transportation, the Petitioner shall:
   a. Coordinate with the landowner of the Elele Shopping Center for the sharing of the cost of the traffic signal warrant study and the installation of the traffic signals for the intersection of Waialoa Road and Kaumualii Highway.
   b. Coordinate the appropriate phase for the extension of left-turn storage and acceleration lanes on Kaumualii Highway at the intersection of Waialoa Road and Kaumualii Highway.
   c. Access road to the subdivision from Waialoa Road shall be located directly opposite of the access to the Elele Shopping Center. The Petitioner shall provide the appropriate left-turn storage lanes, acceleration/deceleration lanes, and median island improvements at this intersection.

The Petitioner shall coordinate and resolve these requirements with the State Department of Transportation prior to Final Subdivision approval for the proposed subdivision. The Petitioner shall consult with and resolve with the Department of Transportation with respect to traffic signal warrant study for the intersection of Kaumualii Highway and Halemili Road, any additional traffic studies or updates, dedication or reserve of land area for either the roadwidening and/or

Exhibit 4
realignmment of Kaumualii Highway. Such studies or requirements shall be resolved with the State Department of Transportation prior to the review of the remaining phases of the Petitioner's 72 acre development in the Eleale area.

4. The Petitioner shall pay its pro rata share to expand the existing Eleale Wastewater Treatment Plant for the proposed industrial development. As recommended by the Department of Public Works, Sewers Division, the Petitioner shall also provide an easement for a future ocean outfall within the subject property from the wastewater plant to the ocean. In addition, the Petitioner shall work with the Sewers Division on appropriate landscaping and building setback requirements on the proposed development at time of subdivision application.

5. The Petitioner shall prepare and submit a drainage study to the Department of Public Works for review and approval prior to Final Subdivision approval for the proposed subdivision.

6. The Petitioner shall resolve all applicable requirements of the State Health Department and County Fire Department with the respective agency(ies).

SECTION 2. The Planning Commission is directed to note the change on the official Zoning Map ZM-H-200 on file with the Commission. All applicable provisions of the Comprehensive Zoning Ordinance shall apply to the area rezoned herein.

SECTION 3. This ordinance shall take effect upon its approval.

INTRODUCED BY:

[Signature]

RONALD KOCHI
(By Request)

Date of Introduction

June 29, 1996

Lihue, Kauai, Hawaii

Exhibit 4
LOCATION MAP SHOWING
PROPOSED AMENDMENT TO ZONING MAP ZM-H200
FROM AGRICULTURE DISTRICT (A) TO GENERAL INDUSTRIAL DISTRICT (I-G)
ELELE, KOLOA, KAUA'I, HAWAII
TAX MAP KEY: Ppr. 2-1-01-3

Exhibit 4 (map)
CERTIFICATE OF THE COUNTY CLERK

I hereby certify that heretofore attached is a true and correct copy of Bill No. 1541, which was passed on second and final reading by the Council of the County of Kauai at its meeting held on August 17, 1994, by the following vote:

FOR ADOPTION: Aising, Correa, Fukushima, Kouchi, Munechiba, Valanciano, Tahada

AGAINT ADOPTION: None

EXCUSED & NOT VOTING: None

TOTAL - 7,
TOTAL - 0,
TOTAL - 0.

Lihue, Hawaii
August 17, 1994

Jerome Y. K. Hiew
County Clerk; County of Kauai

ATTEST:

James Tahada
Chairman & Presiding Officer

DATE OF TRANSMITTAL TO MAYOR:

August 18, 1994

Approved this 2nd day of
September 1994.

JoAnn A. Yukimura
Mayor
County of Kauai

Exhibit 4
EXHIBIT 5
TO: DEPARTMENT OF PLANNING
FROM: DEPARTMENT OF WATER

TNK: 2-1-01:3 NAME: ALL PROPERTIES SURVEYOR: CKodani REPORT NO. 95-43

1. Domestic water is adequate. Tentative approval is recommended. ☑️
   Water requirements are not affected. Tentative approval is recommended. ☐️

2. All requirements have been fully met and, therefore, Final Approval is recommended. ☐️

3. Before final approval can be recommended, the subdivider must:
   A. Pay the Department of Water the following charges in effect at time of receipt:
      (1) The Facilities Reserve Charge:
          2 lots @ $2,600/lot = $5,200.00 ☑️
          Payment of the Facilities Reserve Charge may be bonded by the subdivider. ☐️
      (2) Pay to install _____, or relocate ____, service connections at
          fixed cost of $_____ each, total $_____. If the
          subdivider causes a delay in the service connection installation
          after one year after final map approval, the subdivider shall be
          charged the increase in the fixed cost, if any. ☐️
      (3) Deposit (The subdivider will be either billed or returned the
          difference between this deposit and the actual cost of construction)
          of $_________ for construction by the Department of Water of
          ☐️

B. Submit to the Department of Water a copy of the subdivider's permit to
   perform work upon State Highway from the State Highway Division. ☔️

C. (1) Prepare and get Department of Water's approval of construction
doors for necessary water system facilities and either construct
   said facilities or post a performance bond for construction. ☐️
      (2) These facilities shall also include an extension of a main
          ____ inches in diameter, approximately ________ft. in length. ☐️

D. Prepare and convey to the Department of Water a right-of-way and
   temporary grant of easement for the purpose of construction, repair,
   maintenance and operation of the subdivision water system improvements
   installed in other than County owned property. ☑️

E. Clearly letter the following on the approved construction plans, final
   subdivision map and deeds: "Domestic water service will not be available
   until the required construction improvements for this subdivision is
   completed and accepted by the Department of Water, County of Kauai." This
   deed restriction shall be recorded with the Bureau of Conveyances within 90
   days of final subdivision approval by the Planning Department. ☐️

4. Installation of service connections will not be required until request for water
   service is made. The applicant for service will be charged the applicable
   service connection charges at that time. ☑️

5. Other (or remarks)
   ☑️
   The developer shall provide a water utility easement for the newly
   created Lot 3-A-1 to obtain water service. This easement shall be
   shown on the final subdivision map and deeds.

Signed: [Signature]

Date: 2/2/95

Manager and Chief Engineer

Exhibit 5
Exhibit 5 (map)
EXHIBIT 6
PLANNING DEPARTMENT
LIHUE, HAWAII

APPLICATION TYPE

(P) Preliminary (12 maps)  ( ) Final (7 maps)

CS NOV 20  P2: 06

Attachments

( ) Subdiv. Agreement

( ) Subdiv. Bond

( ) Park Dedication Fee

( ) Env. Impact Fee

DEPT. USE ONLY
Application No. 5-96-23
Date Accepted 11/8/96
Assigned to: D.Cua
SRA: Yes No

Owner
ALEXANDER & BALDWIN, PROPERTIES, INC.

Title/Description: Subdivision of Lot 3-A-1, Being a Portion of R.P. 4485, L.C. Awt. 7712

Anena 5 to M. Kekeumanu into Lots 1 thru 40 inclusive

Ekeula, Kauai, Hawaii

Surveyor/Engineer/Authorized Agent: KODANI & ASSOCIATES, INC.
(Attach Letter of Authorization)

Phone No.: 245-3991  Tax Map Key: 2-1-01-03

General Plan: Urban  Mixed Use  Zoning: Ag

State Land Use: Urban

Area (ac. or Sq. Ft.): 20,000 ac.  No. of Lots: 40  Fees ($3/lot): $120.00

Existing Use: Industrial  Proposed Use: Industrial

Date: November 6, 1995

Signature: [Signature]

Authorized Agent

ROUTE TO:

( ) Public Works Dept.

( ) Health Dept.

( ) County Attorney

( ) State Health Dept.

( ) State Highways Division

( ) Historic Pres. Div. - DLNR

DEPARTMENT USE ONLY

FOR:

XXX Review and Recommendation

() Signature and Return

() ____________________

AGENCY COMMENTS

EXISTING SOURCE, STORAGE AND TRANSMISSION FACILITIES: Not adequate.

The proposed development is outside the service area for which the Department's General Plan for Domestic Water was prepared.

RECOMMENDATION: Prior to the Department of Water recommending final subdivision approval or building permit approval, the developer will be required to:

1. Prepare and receive Department of Water's approval of a Water Master Plan for full development of this area along with hydraulic calculations and details of the proposed water system improvements.

2. Provide additional source, storage and transmission facilities as required in the approved Water Master Plan for this area.

2. Pay the applicable charges in effect at the time of receipt. The actual cost will be dependent on the approved construction drawings.

[Signature]

Date

Authorized Signature

Exhibit 6
PRELIMINARY
SUBDIVISION OF LOT 3-A-1
BEING A PORTION OF
R.P. 4485, L.C. A.W. 7712
APANA 5 TO M. KEKUANAOA
INTO LOTS 1 THRU 40 INCLUSIVE
ELEELE, KUAIAL, HAWAII

OWNER: Alexander & Baldwin, Properties, Inc.

Kodani and Associates, Inc.

Tax Map Key: 2-1-01-3
EXHIBIT 7
FROM:  Ian K. Costa, Director (DALE)  DATE:  June 3, 2008

SUBJECT:  Special Management Area Use Permit Application SMA(U)-2008-17, A&B PROPERTIES, INC.

( )  PW – Engineering Div.  
( )  PW – Waste Water  
( )  PW – Parks & Recreation  
( )  PW – Solid Waste  
(X)  Water Department  
( )  State Health Department  
( )  State Historic Preservation Div. – DLNR  
( )  Fire Department  
( )  Kauai Housing Agency  
( )  State Highways Div. – DOT (Kauai Office – FYI only)  
( )  State Airports Div. – DOT (Kauai Office – FYI only)  
( )  State Land Use Commission – DBEDT  
( )  State Office of Planning – DBEDT  

FOR YOUR COMMENTS (pertaining to your department):

June 23, 2008

We recommend to the Planning Department that any approval of the proposed Special Management Area Use Permit Application to develop a 29-lot industrial subdivision on Lot 3-A-1, TMK: 2-1-01:051 be conditioned; whereby, the applicant shall be required to be made aware that:

1. If this area is developed, new source, storage, and transmission facilities will be required to serve the additional water demand for this area.

2. Prior to consideration of subdivision approval, the Developer shall prepare and receive Department of Water (DOW) approval of a Water Master Plan for full development of the area and will be required to provide necessary source, storage, and transmission facilities as required in the approved Water Master Plan.

3. Other conditions may apply and will be addressed at the time of subdivision application/review.

The Department’s comments are subject to change.

Gregg Fujikawa  
Chief of Water Resources and Planning Division

KA mil  
SMA-U-2008-17 AB w2-1-01-051

Exhibit 7
Special Management Area (SMA) Permit Assessment Application
County of Kauai – Department of Planning

Eleele Industrial Park
Koloa District, County of Kauai
Eleele, Kauai, Hawaii
Tax Map Key (TMK): (4) 2-1-001:051

April 2008

Prepared For:
A&B Properties, Inc.
3.3.2 Mitigation Measures

Surface soil stabilization measures will be employed in all areas affected by clearing and grading. Stabilization will be accomplished by temporarily or permanently protecting the disturbed surface from rainfall impacts and runoff. Storm-water will be diverted away from the project as much as practicable using appropriate controls. Disturbed areas that remain unfinished for more than 30 calendar days will be hydro-mulched or seeded. When construction is complete, exposed areas will be grassed to provide interim soil stabilization.

Erosion controls and discharge pollution prevention measures will be installed as required by site conditions, construction activities, and project scheduling. Mitigation measures will conform to State of Hawai‘i, Department of Health (DOH) regulations pursuant to Hawai‘i Administrative Rules, Title 11, Chapter 55, Water Pollution Control.

A site-specific plan to prevent discharge of storm water runoff into State waters will be prepared by the project contractor as part of the project construction plan. A National Pollution Discharge Elimination System (NPDES) Permit will be filed with DOH, Clean Water Branch.

3.4 WATER

3.4.1 Surface Water

No streams, springs, wetlands, or other sources of surface water occur within the project site. The 2 nearest streams are Hanapepe Stream, located approximately one-half mile to the southwest and Wahiawa stream, located approximately 0.6 miles to the east.

3.4.2 Groundwater

The project is located within the Hanapepe sector of the Waimea aquifer system. This system supports potable water wells that feed the ‘Ele‘ele Water System managed by the Kauai Department of Water (DOW). Wells in this system include the Hanapepe Valley Wells A and B. Well water is chlorinated and pumped into the distribution system or stored in one of five tanks: the Hanapepe 500,000 gallon tank, the Hanapepe Cliffside 500,000 gallon tank, either of two
'Ele'ele 400,000 gallon tanks, or the 'Ele'ele Nani 200,000 gallon tank. Currently, the 'Ele'ele Water System has approximately 0.368 mgd of source and 0.216 mgd of storage capacity available for the existing Kaua'i Department of Water (DOW) service area. The project site is located outside the DOW service area and is currently not supported by transmission infrastructure. A&B Properties, Inc. is in the process of petitioning the Water Board for allocation from the 'Ele'ele Water System to service the project.

3.4.3 Project Impacts
The project is estimated to generate demand for 80,000 gallons of water per day (0.08 mgd) based on industrial use of 4,000 gallons per acre per day.

3.4.4 Mitigation Measures
Water service to the project is contingent on allocation approval from the Department of Water. Approval criteria includes an assessment that proposed demand will not exceed the sustainable yield of the underlying aquifer. New transmission lines will be required to convey water to the site. The water system will be designed to meet County Department of Water standards for water storage and transmission infrastructure. No other mitigation measures are required or recommended.

3.5 NATURAL HAZARDS
3.5.1 Earthquake
The Uniform Building Code (UBC) provides minimum design criteria to address potential for damages due to seismic disturbances. The UBC scale is rated from Seismic Zone 0 through Zone 4, with 0 the lowest level for potential seismic induced ground movement. Kaua'i has been designated within Seismic Zone 1.

3.5.2 Hurricanes
The Hawaiian Islands are seasonally affected by Pacific hurricanes from the late summer to early winter months. The County of Kaua'i has been affected twice since 1982 by devastating
A: Zone that corresponds to the 500-year floodplain that are determined in the FIS by detailed methods. In most instances, whole-foot based flood elevations derived from the detailed hydrologic analyses are shown at selected intervals within this zone.

X: Zone that corresponds to areas outside the 500-year floodplain, areas within the 100-year floodplain, and to areas of 100-year flooding where average depths are less than 1 foot, areas of 100-year flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 100-year flood by levees. No based flood elevations or depths are shown within this zone.

X000: 0.3% annual chance flood hazard (500 Year Floodplain).
SUBDIVISION REPORT

TO: PLANNING DEPARTMENT
FROM: DEPARTMENT OF WATER


1. Domestic water is adequate. Tentative approval is recommended.

2. All requirements have been fully met and, therefore, Final Approval is recommended.

3. Before final approval can be recommended, the subdivider must:
   A. Pay the Department of Water the following charges in effect at the time of receipt. At the present time, these charges include:

   \[ \text{Facilities Reserve Charge:} \]
   \[ \text{2} \times \text{loss of } \$4,600 \text{ per lot} = \$147,200 \]

   * The FRC offsets may apply if source, storage or transmission facilities are provided by the Subdivider in accordance with the Department of Water’s Rules and Regulations.

   B. Submit to the Department of Water a copy of the subdivider’s permit to perform work upon a State highway from the State Highways Division.

   C. Prepare and receive Department of Water’s approval of construction drawings for the necessary water system facilities and either construct said facilities or post a performance bond for construction. These facilities shall also include:
      1) All water facilities required in the approved Water Master Plan for total build out of this area.
      2) The domestic service connections.

   D. Prepare and convey to the Department of Water a right-of-way and temporary grant of easement for the purpose of construction, repair, maintenance and operation of the subdivision water system improvements installed in other than County-owned property.

   E. If a bond is filed, to secure final subdivision approval, the subdivider shall clearly indicate the following on the approved construction plans, final subdivision map, and deeds:
      “Domestic water service will not be available until the required construction improvements for this subdivision are completed and accepted by the Department of Water, County of Kauai.”

      This deed restriction shall be recorded with the Bureau of Conveyances within ninety (90) days of final subdivision approval by the Planning Department.

4. Installation of service connections will not be required until request for water service is made. The applicant for service will be charged the applicable service connection charges at that time.

5. Other (or remarks):
   Before final subdivision can be recommended, the subdivider must:
   A. Prepare and receive Department of Water approval of a Water Master Plan for full development of the area.

   B. Construct necessary water system facilities as required in the approved Water Master Plan. Water system facilities shall include but not be limited to additional source, storage, and transmission facilities.

Gregg Fujikawa
Chief of Water Resources & Planning

S-2009-1 ‘Etree, A&B Properties

Exhibit 8
COUNTY OF KAUA'I
PLANNING DEPARTMENT

SUBDIVISION APPLICATION

<table>
<thead>
<tr>
<th>APPLICATION TYPE</th>
<th>DEPT USE ONLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary - 12 Maps</td>
<td>Application No. 8-2009-1</td>
</tr>
<tr>
<td>Final - 15 Maps</td>
<td>Application No. 8-2009-1</td>
</tr>
<tr>
<td>Attachments:</td>
<td>Date Accepted</td>
</tr>
<tr>
<td>[ ] Title Report</td>
<td>Assigned to:</td>
</tr>
<tr>
<td>[ ] Application Fee</td>
<td>SMA Permit:</td>
</tr>
<tr>
<td>[ ] Letter of Authorization **</td>
<td></td>
</tr>
</tbody>
</table>

Owner(s)/Applicant(s) * Alexander & Baldwin Properties, Inc.

* Holder of AT LEAST 75% of the equitable and legal title of the property

Name of Surveyor/Engineer/Authorized Agent ** Pamela Figueiroa, R.M. Towill Corporation

Telephone No. (808) 842-1133

Map Title/ Description Proposed Ele'ele Industrial Subdivision
Consolidation of Lots 3-A and 3-A-1 and Resubdivision into Lots 1 to 32, Inclusive; Roadway Lots R-1 and R-2 and Designation of Easements 1 to 8, Inclusive and Cancellation of a Portion of Perpetual Easement (30 feet wide)

GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Tax Map Key: (4)</th>
<th>Zoning</th>
<th>General Plan</th>
<th>State Land Use Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-1-001: 03 and 51</td>
<td>A and I-G</td>
<td>Urban Mix Use</td>
<td>Urban</td>
</tr>
</tbody>
</table>

Property Size (Acres or Sq. Feet) varies
Total Amount of Lots 32
Subdivision Fee ($3 per lot) $66.00

Date: March 6, 2008

Applicant's Signature

DEPARTMENT USE ONLY

<table>
<thead>
<tr>
<th>Route to:</th>
<th>For:</th>
</tr>
</thead>
<tbody>
<tr>
<td>[X] Public Works Department</td>
<td>[ ] Review and Recommendation</td>
</tr>
<tr>
<td>[X] State Health Department</td>
<td>[ ] Signature and Return</td>
</tr>
</tbody>
</table>

AGENCY DEADLINE: September 5, 2008

AGENCY COMMENTS

Date: ______________________

Authorized Signature

D:\docs\file\Subdivision\Form\SubApplication_FRM.doc
Revised 6.06.2006

COPY
DATE: February 1, 2012

TO: Planning Department
    Michael Dahlig, Director (Kaua'i)

SUBJECT: Class IV Zoning Permit Z-IV-2012-11, Solar Photovoltaic Farm, TMK: 2-1-01:051,
          McBryde Resources, Inc.

REVISED DOW COMMENTS:

The Department of Water does not have a domestic water system serving this area and have
concerns regarding fire protection (as recommended by the Department of Water's Rules and
Regulations) associated with this Class IV Zoning and Variance Permit Application for the proposed
solar photovoltaic farm project.

We recommend to the Planning Department that any approval of the proposed Class IV Zoning
Permit Application be conditioned; whereby, the applicant shall be required to:

1. Be made aware that prior to the DOW granting building permit approval, the applicant will
   be required to execute a "Waiver, Release and Indemnity Agreement" with the DOW.

2. Be made aware that prior to the DOW approving future requests for water service the
   applicant will be required to:
   a) Submit detailed water demand calculations for the proposed project for Department of
      Water's review and approval. The DOW's comments may change depending on the
      approved water demand calculations.
   b) Prepare and receive DOW's approval of construction drawings for the necessary water
      system facilities and construct said facilities. These facilities shall include but not be
      limited to:
      i. A 12-inch main line extension approximately 400 feet in length beginning the
         existing 12-inch main along Akaula Street and continuing east along Akaula Street
         to the proposed development.
      ii. Fire hydrant(s).
      iii. The domestic service connection, if applicable.
      iv. The interior plumbing plans with the appropriate backflow prevention device, if
          applicable.
   c) Be made aware that future requests for water service will be dependent on the adequacy of
      the source, storage, and transmission facilities existing at that time.

David R. Craddick, P. E.,
Manager and Chief Engineer

Z-IV-2012-11 REVISED Elele, McBryde Resources - Photovoltaic/ED:100

Exhibit 9
I will revise the zoning permit, Eddie.

From: Fujikawa, Gregg
Sent: Friday, January 13, 2012 8:17 AM
To: Dol, Edward; Flores, Regina
Cc: Suzuki, Andrea; Craddock, David; Eddy, William; Loo, Margie; Konishi, Keith
Subject: RE: Eleele Solar farm ZIV-2012-11

Eddie,

Per David’s decision to waive the condition for plans and construction for the domestic service, fire service, backflow and 12” main extension improvement and to add the requirement for a waiver, release and indemnity agreement for not providing fire protection by the developer, please revise the DOW zoning permit report to planning accordingly. Please refer to the earlier email train for details.

Margie please file this email with the project file...

Thanks,

Gregg

From: Craddock, David
Sent: Thursday, January 12, 2012 5:30 PM
To: Fujikawa, Gregg
Subject: RE: Eleele Solar farm Z-IV-2012-11

Yes that’s acceptable

David R. Craddock, P.E., C.E.M.
Manager and Chief Engineer
Kaua’i Board of Water Supply
4398 Pua Loke St
Lihue, Kaua’i, HI 96766

Wk 808-245-5408

From: Fujikawa, Gregg
Sent: Thursday, January 12, 2012 4:27 PM
To: Craddock, David
Subject: RE: Eleele Solar farm Z-IV-2012-11

In addition to DOW waiving the condition for the plans and construction of the domestic service, back flow device and the 12” mainline extension and the payment of necessary DOW fees and charges, the developer will be required to prepare and execute a waiver, release and indemnity agreement with the Board for not providing fire protection for his development. The agreement shall state that the FRC was paid during the subdivision of the lot and that County water service is approved for a 5/8” water meter service.

If you approve the above zoning permit revisions, Eddie will revise the zoning permit report to Planning to reflect said revisions.

From: Craddock, David
Sent: Thursday, January 12, 2012 4:11 PM
To: Fujikawa, Gregg
Subject: RE: Elele Solar farm Z-IV-2012-11

Is it a release or liability waiver for not providing fire protection they already have approval for a meter and have paid the FRC.

David R. Craddock, P.E., C.E.M.
Manager and Chief Engineer
Kaua’i Board of Water Supply
4398 Pua Loke St
Lihue, Kaua’i, HI 96766
DATE: December 13, 2011

TO: Planning Department
    Michael Dahilig, Director (Kaaina)

SUBJECT: Class IV Zoning Permit Z-IV-2012-11, Solar Photovoltaic Farm, TMK: 2-1-01:051,
         McBryde Resources, Inc.

DOW COMMENTS:

The Department of Water (DOW) has concerns regarding the possible backflow of water into our
system, the increase in water demand and the availability of the DOW’s recommended fire flow
(Per the DOW’s Rules and Regulations) associated with this Class IV Zoning and Variance
Permit Application for the proposed solar photovoltaic farm project.

We recommend to the Planning Department that any approval of the proposed Class IV Zoning
Permit Application be conditioned; whereby, the applicant shall be required to:

1. Submit detailed water demand calculations for the proposed project for DOW’s review
   and approval. The DOW’s comments may change depending on the approved water
demand calculations.

2. Prepare and receive DOW’s approval of construction drawings for the necessary water
   system facilities and construct said facilities. These facilities shall include but not be
   limited to:
   a) A 12-inch mainline extension approximately 400 feet in length beginning the existing
      12-inch main along Akaula Street and continuing east along Akaula Street to the
      proposed development.
   b) Fire hydrant(s).
   c) The domestic service connection, if applicable.
   d) The interior plumbing plans with the appropriate backflow prevention device, if
      applicable.

Requests for water service will be dependent on the adequacy of the source, storage, and
transmission facilities existing at that time.

Gregg Fujikawa
Chief of Water Resources and Planning

12/13/11

ED:lee
Z-IV-2012-11 Eleele, McBryde Resources-Photovoltaic
FROM: Ian K. Costa, Director (MYLES)  
DATE: March 16, 2005


TO:  
   ( ) PW - Engineering Div.  
   ( ) PW - Waste Water  
   ( ) PW - Parks & Recreation  
   ( ) PW - Solid Waste  
   (X) Water Department  
   ( ) State Health Dept.  
   ( ) State Historic Preservation Div. - DLNR  
   ( ) Fire Department  
   ( ) State Highways Div. - DOT (Kauai Office - FYI only)  
   ( ) State Airports Div. - DOT  
   ( ) State Land Use Commission - DBEDT  
   ( ) State Office of Planning - DBEDT  
   ( ) State Dept. of Agriculture  
   ( ) U.S. Fish & Wildlife Service - Kilauea Point National Wildlife Refuge  
   ( ) Water Commission - DLNR (Kauai)  
   ( ) Kauai Historic Preservation Review Commission

FOR YOUR COMMENTS (pertaining to your department:)

We have no objections to the proposed zoning amendment. However, the applicant is made aware that the proposed zoning amendment area is located outside of the Department’s water service area. Prior to the development of the area, new source, storage and transmission water system facilities will be required to serve the additional water demands of this area.

Gregg Fujikawa  
Chief of Water Resources and Planning  

Apr 15, 2005
August 17, 2006

Mr. Clyde Kodani
3126 Akahi Street
Lihue, HI 96766

Dear Mr. Kodani:

Subject: Water Meter Service Inquiry: Proposed 210 Unit Residential, 7 Acres Neighborhood Commercial and 20 Acres General Industrial Development on TMK: 2-1-01:003 and 2-1-01:051, Elelele, Kauai, Hawai‘i; Reference: Zoning Amendment, ZA-2005-2

This letter is in response to your August 2, 2006 water service inquiry letter.

Any actual subdivision or development of this area will be dependent on the adequacy of the source, storage and transmission facilities existing at that time. Your estimated water use of 174,500 gallons per day for the proposed development is noted.

The proposed development area’s current zoning was created though Zoning Amendment Application ZA-2005-2. The applicant of the zoning amendment application was made aware that the proposed zoning amendment area is located outside of the Department’s water service area. Prior to development of the area, new source, storage and transmission water system facilities will be required to serve the additional water demands of this area.

If you have any questions, please contact Mr. Keith Aoki at 245-5418.

Sincerely,

Gregg Fujikawa
Chief of Water Resources and Planning
June 6, 2008

Ms. Wynn Ushigome
Acting Manager & Chief Engineer
Department of Water
County of Kauai
4298 Pua Loke Street
Lihue, Hawaii 96766

Dear Ms. Ushigome:

Subject: Request for Water Service
Elele Industrial Park Subdivision and Elele Residential Project
TMK: (4) 2-1-01: Por. 3 and 51
ZA-2005-2

This is a follow up to the Board of Water Supply’s (BWS) meeting of June 5, 2008, concerning the subject matter. Based on the determination that the subject properties are within the Department’s water service area and pursuant to the BWS’s directive that we meet with you to discuss the available source and storage capacity to serve all or a portion of the above referenced projects, this is to request a meeting with you prior to the next BWS meeting in July.

We would appreciate a meeting with you to discuss this matter at your earliest convenience, such that we may report the status of discussions to the BWS at its scheduled July 10, 2008 meeting.

Please advise us of your availability to meet and discuss this matter.

Sincerely,

Tom H. Shigemoto
Vice President

cc: Board of Water Supply, County of Kauai
June 6, 2008

Ms. Wynne Ushigome
Acting Manager & Chief Engineer
Department of Water
County of Kauai
4298 Pua Loke Street
Lihue, Hawaii 96766

Dear Ms. Ushigome:

Subject: Request for Water Service
Elele Industrial Park Subdivision and Elele Residential Project
TMK: (4) 2-1-01: Por. 3 and 51
ZA - 2005-2

This is a follow up to the Board of Water Supply’s (BWS) meeting of June 5, 2008, concerning the subject matter. Based on the determination that the subject properties are within the Department’s water service area and pursuant to the BWS’s directive that we meet with you to discuss the available source and storage capacity to serve all or a portion of the above referenced projects, this is to request a meeting with you prior to the next BWS meeting in July.

We would appreciate a meeting with you to discuss this matter at your earliest convenience, such that we may report the status of discussions to the BWS at its scheduled July 10, 2008 meeting.

Please advise us of your availability to meet and discuss this matter.

Sincerely,

[Signature]
Tom H. Shigemoto
Vice President

cc: Board of Water Supply, County of Kauai
May 12, 2014

DEPT. OF WATER
COUNTY OF KAUA'I

Board of Water Supply
Department of Water Supply
County of Kauai
4398 Pua Loke Street
Lihue, HI 96766

Subject: Reallocation of water commitment from Ele’ele Industrial Park Subdivision TMK: (4) 2-1-001:051 to 28-acre Ele’ele Urban Residential Development (4) 2-1-001: Por. 3 Eleele, Koloa, Kauai A&B Properties, Inc., owner

Chair and members of the Kauai Board of Water Supply:

On or about July 15, 2008, the Kauai Board of Water Supply approved a source allocation of 120,000 gpd maximum day demand for our General Industrial Subdivision (S-2009-01) located at Eleele, Kauai, over objections from the DOW staff. The Board reaffirmed its decision on September 16, 2008, after the staff had requested the Board to reconsider the action.

Since that decision was rendered, A&B decided on converting the entire 20-acre industrial subdivision to a solar photovoltaic energy plant, which does not require any water. The solar PV project was completed in 2012.

A&B has a 28-acre zoned property immediately north and adjoining the solar PV project, 21 acres of which is zoned R-10 for an affordable housing project. The other 7 acres is zoned Neighborhood Commercial. The county council approved the zoning amendment for this project with a condition that no development will occur until an affordable housing plan has been approved by them. Obviously, no development can occur without water and due to the source and storage limitations for Eleele/Port Allen, so the project has had to take a back seat to other development.

The reason for this letter is to request the Board’s consideration in reallocating the 120,000 gpd to our affordable housing project in order to comply with our housing condition. We are aware of housing developers who might be interested in assisting with this type of development but without water no such discussion is feasible at this time.

Attached for your review are the pertinent documents referred to above:

2. August 14, 2008, Agenda, minutes and reports pertaining to the subject matter.
Your kind consideration on this very important matter is greatly appreciated.

Sincerely,

[Signature]

Tom H. Shigemoto
Vice President

Attach.

Cc (w/o attach.):
  P. W. Hallin
  D. Y. Yasui
November 5, 2008

Mr. Tom Shigemoto  
A&B Properties, Inc.  
P.O. Box 430  
Koloa, HI 96756

Dear Mr. Shigemoto:

Subject: Request Board Approval for Reconsideration and Clarification of the Motion Made at the July 15, 2008 Board Meeting on Agenda Item: Testify by A&B Properties, Inc. for a Request for Water Service, 'Ele'ele Industrial Park Subdivision, TMK: 2-1-01:051 and Eleele Residential Development Site TMK: 2-1-01:Por. 3, 'Ele'ele, Kauai

This is in regard to your letter to the Board of Water Supply dated April 10, 2008. The Board of Water Supply at their September 16, 2008 Board meeting denied the Department of Water's request to reconsider the Boards previous approval of the 0.12 MGD Maximum Day Demand source allocation for the A&B Properties 'Ele'ele Industrial Park Subdivision by the Board at their July 15, 2008 Board meeting.

If you have any questions, please contact Mr. Edward Doi at (808) 245-5417.

Sincerely,

Wynne M. Ushigome  
Acting Manager and Chief Engineer

4398 Pua Loke St., P.O. Box 1706, Lihue, HI 96766 Phone: 808-245-5400  
Engineering and Fiscal Fax: 808-245-5813, Operations Fax: 808-245-5407, Administration Fax: 808-246-8628
REGULAR MEETING
Second Floor, Microbiology Lab Bldg
Kauai County Department of Water
4398 Pua Loke Street, Lihue, Kauai, Hawaii 96766

THURSDAY, AUGUST 14, 2008

9:05 a.m.
or thereabouts

A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MEETING MINUTES:
   1. Regular Meeting: July 15, 2008
   2. Special Meeting: July 29, 2008

E. CORRESPONDENCE/ANNOUNCEMENTS

      Created by Resolution of the Honolulu City Council is a "Board" Subject to the
      Sunshine Law

F. OLD BUSINESS

   1. Status Report from Kukui‘ula Development Company (Hawaii) LLC on their Projects:

   2. Status Report from Grove Farm on the Completion of the Puhi 393' Booster Pump Station

   3. Request Board Approval to Clarify the Motion made at the December 13, 2007 Board Meeting for Agenda Item: "Revised Appeal to November 20, 2007 Agenda Item – Update Report on November 20, 2007 Agenda Item on the Request to Testify by Benjamin Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval for Boundary Adjustment (Consolidation and Re-subdivision), TMK Nos. (4) 4-2-03:12, 65 and 66"

NOTE: Special Accommodations for persons with disabilities are available upon request five (5) days prior to the meeting date. Please call the Department of Water, County of Kauai, at 245-5408 or drop by at 4398 Pua Loke Street, Lihue, Kauai. Our mailing address is P.O. Box 1706, Lihue, HI 96766.
F. **OLD BUSINESS (cont’d)**


5. Request Board Approval of Job No. 04-02, WK-14, Pipeline Replacement for Vivian Heights and Kanaele Road for Phase II Implementation and Additional 2,500 feet of 8-inch Waterline along Kanaele Road, Kapa‘a, Kauai, Second Contract Amendment with Fukunaga and Associates

6. Request Board Approval of a Fourth Contract Amendment for the Automated Meter Reading (AMR) Implementation for the Department of Water, County of Kauai

7. Request Board Approval for Additional Funding for the Purchase of Two (2) Small Drilling Machines and Attachments

8. Request Board Approval of Contract Amendment for Job No. 98-2 (KP-07 & KP-08), 16-Inch Waterline Replacement along Poipu Road, Koloa, Kauai, Hawai‘i

9. Request Board Approval of Contract Amendments with Fukunaga and Associates for Job No. 02-18, WK-32, Waterline along Pipeline Replacements (Kaehulua Road), Kapaa Homesteads for Phase II Implementation, Kapaa, Kauai

10. Request Board Approval for Additional Funding for Contract 474 for Special Counsel to Provide Advice, Counsel, and/or Representation in Civil Matters in the Court System including, but not limited to Administrative Law, Personnel Law, Labor and Employment Law

11. Discussion, deliberation and decision-making or action regarding steps, actions, procedures and processes necessary to select a new Manager and Chief Engineer for the Kauai Water Department

G. **NEW BUSINESS**

1. Request to Testify by Eleanor M. Cox for Subdivision of Lot 37-D, Portion of the Consolidation of Portion of Grant 11224 (Abandoned Railroad Right of Way), Lot 37, Grant 6226, and Lot 38, Grant 6216, into Lot 37-D-1 and Lot 37-D-2, S-2005-26, TMK: (4) 2-7-05: 28, ‘Oma’o, Kaua‘i, Hawai‘i
G. **NEW BUSINESS (cont’d)**

2. Request Board Approval of Rules Committee’s Recommendation Regarding Correcting of the Amendment to the DOW’s Rules and Regulations and 2002 Water System Standards:

   *Part 4, Section VII, Subparagraph Nos. 4a and 3b for the Annotation to Table 100-19A of the Water System Standards, County of Kaua‘i, State of Hawai‘i*

3. Request Board Approval of Resolution No. 1 (08/09), Budget for Fiscal Year 2008-09

4. Request Board Approval of a Memorandum of Agreement between the State of Hawai‘i, Department of Health, Safe Drinking Water Branch and the County of Kaua‘i Department of Water for the Kapilimao Tank

5. Request Board Approval of a Conveyance of Water Facility from Mark Y. Watase for the Water Meter for Lot B-1-B, TMK: (4) 1-3-08:019 (S-2007-9), Kekaha, Waimea District, Kauai, Hawai‘i

6. Request Board Approval of a Conveyance of Water Facility from Ian B. and Anna M. Cronshaw, John E. and Jane R. Hollister, TMK: (4) 1-3-01:085, Kekaha, Kauai, Hawaii

7. Request Board Approval of a Grant of Easement and a Conveyance of Water Facility from Poipu Beach Villas, LLC, for the water facilities for the Koloa Landing at Poipu Beach, Z-IV-2004-35, SMA (U)-2004-6, PDU-2004-30, S-2004-36, TMK: (4) 2-8-15:025, Poipu, Koloa District, Kauai, Hawai‘i

8. Request Board Approval of a Conveyance of Water Facility from Eileen K. Konishi, Successor Trustee of the Tetsuo Konishi Revocable Living Trust dated August 31, 1994; for Subdivision Application No. S-2004-44, TMK: (4) 2-5-004-033, Lawai, Koloa District, Kauai, Hawai‘i

9. Request Board Approval of a Conveyance of Water Facility from Roy K. Ho, Donna Kuulei Ho and Guy K. Ho; for Water Service Installation for Lot 196C-1, TMK: (4) 4-6-14:061, Kapaa, Kawaihau District, Kauai, Hawaii

10. Request Board Approval of a Right of Entry Agreement for Job No. 05-02 (H-8) Drill and Test Hanalei Well #2, from Glenn I. Kobayashi, Joseph N. Kobayashi and Christine Y. Kobayashi, for the Soils Testing and Land Surveying, TMK: (4) 5-6-002:002, Hanalei, Kauai, Hawai‘i
G.  **NEW BUSINESS (cont’d)**

11. Request Board Approval of a Right of Entry Agreement for Job No. 02-24 (WK-02), Renovations to Akulikuli Tunnel, from Kenji Yamashiro, Trustee of the Kenji Yamashiro Revocable Living Trust dated June 25, 1993; Take Yamashiro and Mervilyn K. Yamashiro, Trustees of the Take Yamashiro and Mervilyn K. Yamashiro Self-Trusted Trust dated September 12, 2000; and Sue Ann Takata, Trustee of the Sue Ann Takata Self-Trusted Revocable Trust under unrecorded trust agreement dated April 29, 1996, as amended; TMK: (4) 4-6-04:020, Kapaa, Kauai, Hawaii

H.  **REPORTS**

1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures

2. Report by the Public Relations Specialist on a Monthly Update Regarding DOW Public Relation Activities


4. Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department

5. Report of the Finance Committee of the Kaua‘i County Board of Water Supply

6. Report of the Rules Committee of the Kaua‘i County Board of Water Supply

7. Report of the Sub-Committee of the Whole Committee of the Kaua‘i County Board of Water Supply

I.  **STRATEGIC AND BUSINESS PLAN AND NEEDS ASSESSMENT**

1. Updates on the Kaua‘i Water Department for their Strategic and Business Plan and Water Plan 2020 Program Sustainability Services
   a. Update of Strategic Goals and Implementation Status Report from the Issue Champions
   b. Affordable Housing
   c. Water Plan 2020 Program Sustainability Service
      i. Report by Tom Jacobs and Ann Hajnosz of RW Beck
J. EXECUTIVE SESSION:
Pursuant to H.R.S. §92-7(a), the Commission may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

1. Review of Executive Session Minutes:
   a. Regular Meeting:
      • Thursday, June 5, 2008, Part 1 & 2
   b. Regular Meeting:
      • Tuesday, July 15, 2008, Part 1 & 2
   b. Special Meeting:
      • Tuesday, July 29, 2008, Part 1 & 2

OLD BUSINESS:

2. ES-2008-4 (5-8-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with legal counsel and department staff regarding Benjamin Garfinkle's request for Board Approval to Clarify the Motion made at the December 13, 2007 Board for Agenda Item: "Revised Appeal to November 20, 2007 Agenda Item- Benjamin Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval for Boundary Adjustment (Consolidation and Re-Subdivision), TMK (4) 4-2-03:12, 65 and 66. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

3. ES-2008-5 - Request Board Approval for Reconsideration and Clarification of the Motion Made at the July 15, 2008 Board Meeting on Agenda Item: Testify by A & B Properties, Inc. for a Request for Water Service, 'Ele'ele Industrial Park Subdivision, TMK: 2-1-02:051 and Eleele Residential Development Site, TMK: 2-1-02:003, Portion, 'Ele'ele, Koloa, Kaua'i, Hawai'i

4. ES-2007 (12-13-07, 2-14-08 & 7-15-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with Legal Counsel regarding questions and issues pertaining to the Board's and Department of Water's liabilities, powers and duties regarding personnel, labor and employment issues. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

NOTE: Special Accommodations for persons with disabilities are available upon request five (5) days prior to the meeting date. Please call the Department of Water, County of Kaua'i, at 245-5408 or drop by at 4398 Pua Loke Street, Līhu'e, Kaua'i. Our mailing address is P.O. Box 1708, Līhu'e, HI 96766.
J. **EXECUTIVE SESSION** (cont’d)

5. **ES-2008-8 (6-5-08, 7-15-08, & 7-29-08)**—Pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(2), (4), (6) and (8), one of the purposes of this executive session is to consider matters that require confidentiality under state law, to wit, to meet with the Board’s legal counsel with regard to the Board’s powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as such powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims as they relate to the selection of an individual to be given supervisory and/or managerial and/or developmental and/or consultation duties over the Kauai Department of Water and/or the Kauai Department of Water’s Water Plan 2020. The further purpose of this executive session is to meet with the Board’s legal counsel on questions and issues relating to the Board’s powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as such powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as they relate to the foregoing and to take such action as the Board deems appropriate.

K. **ADJOURNMENT**
BOARD OF WATER SUPPLY of the COUNTY OF KAUA'I

REGULAR MEETING
Second Floor, Microbiology Lab Building
Kauai County Department of Water
4398 Pua Loke Street, Lihu'e, Kauai, Hawaii 96766

TUESDAY, JULY 15, 2008

10:05 a.m.
or thereabouts

A. CALL TO ORDER

B. ROLL CALL

C. ACCEPTANCE OF AGENDA

D. MINUTES:
   1. Regular Meeting: June 5, 2008
   2. Special Meeting: June 18, 2008

E. CORRESPONDENCE/ANNOUNCEMENTS

F. OLD BUSINESS
   1. Status Report from Kukui'ula Development Company (Hawai'i) LLC on their Projects:
      1) Subdivision Y Cottages, S-2005-25, TMK: (4) 2-6-016: 016 thru 088; and, 2)
         Subdivision Y Custom Home Sites, S-2005-25; and, 3) Subdivision M1/M4 Custom
         Home Sites, S-2005-21, Kukui'ula, Development, Kukui'ula, Kauai, Hawaii'
   2. Request Board Approval to Clarify the Motion made at the December 13, 2007 Board
      for Agenda Item: "Revised Appeal to November 20, 2007 Agenda Item – Update
      Report on November 20, 2007 Agenda Item on the Request to Testify by Benjamin
      Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval for Boundary
      Adjustment (Consolidation and Re-subdivision), TMK Nos. (4) 4-2-03:12, 65 and 66"
   3. Request to Testify by A & B Properties, Inc. for a Request for Water Service, 'Ele'ele
      Industrial Park Subdivision, TMK: 2-1-02:051 and Ele'ele Residential Development
      Site, TMK: 2-1-02:003, Portion, 'Ele'ele, Koloa, Kauai, Hawaii'
   4. Request Board Approval for Additional Funding for Contract 474 for Special Counsel
      to Provide Advice, Counsel, and/or Representation in Civil Matters in the Court
      System including, but not limited to Administrative Law, Personnel Law, Labor and
      Employment Law

NOTE: Special Accommodations for persons with disabilities are available upon request five (5) days
prior to the meeting date. Please call the Department of Water, County of Kauai, at 245-5408 or drop
by at 4398 Pua Loke Street, Lihu'e, Kauai. Our mailing address is P.O. Box 1706, Lihu'e, HI 96766.
F. **OLD BUSINESS (cont'd)**

5. Request Board Approval of Job No. 92-4, KP-01, Koloa Well F Pump Controls and Pipeline (State Well No. 5425-15), Poipu, Kauai, First Contract Amendment to Revise the Subdivision Map

6. Discussion, deliberation and decision-making or action regarding steps, actions, procedures and processes necessary to select a new Manager and Chief Engineer for the Kauai Water Department

G. **NEW BUSINESS**

1. Request Board Approval of the Conveyance of Water Facility from Jonli C.H. Alo and Ann Marie Alo; for the 5/8-Inch Domestic Service Connection for Second Water Meter, TMK: (4) 4-4-09:020, Unit 2, Kapaa, Kawaihau District, Kauai, Hawai‘i

2. Request Board Approval of the Grant of Easement from Jason Andrew Barth and Heather Ann Barth, husband and wife; TMK: (4) 4-3-09:037, Waipouli, Kawaihau District, Kaua‘i, Hawai‘i for Subdivision No. S-2006-35

H. **REPORTS**

1. Statement of Kaua‘i County Water Department’s Revenues and Expenditures

2. Report by the Public Relations Specialist on a Monthly Update Regarding DOW Public Relation Activities


4. For the Board’s Information on the Kauai County Water Department Briefing on Departmental Projects

5. For the Board’s Information on the Quarterly Report regarding the Status of the 2008 Manager’s Top 4 Goals for the Kaua‘i Department of Water

6. Manager’s Monthly Update Regarding Activities of Note of the Kaua‘i County Water Department

7. Report of the Finance Committee of the Kaua‘i County Board of Water Supply

8. Report of the Rules Committee of the Kaua‘i County Board of Water Supply

Page 2 of 4

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H. REPORTS (cont'd)

9. Report of the Sub-Committee of the Whole Committee of the Kaua'i County Board of Water Supply

I. STRATEGIC AND BUSINESS PLAN AND NEEDS ASSESSMENT

1. Updates on the Kaua'i Water Department for their Strategic and Business Plan and Water Plan 2020 Program Sustainability Services
   a. Update of Strategic Goals and Implementation Status Report from the Issue Champions
   b. Affordable Housing
   c. Water Plan 2020 Program Sustainability Service

J. EXECUTIVE SESSION:
   Pursuant to H.R.S. §92-7(a), the Commission may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

   1. Review of Executive Session Minutes:
      a. Thursday, June 5, 2008 (Special Manager Recruitment Committee Meeting)
      b. Thursday, June 5, 2008 (Regular Meeting)

OLD BUSINESS:

2. ES-2008-4 (5-8-08) - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with legal counsel and department staff regarding Benjamin Garfinkle’s request for Board Approval to Clarify the Motion made at the December 13, 2007 Board for Agenda Item: “Revised Appeal to November 20, 2007 Agenda Item- Benjamin Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval for Boundary Adjustment (Consolidation and Re-subdivision), TMK (4) 4-2-03:12, 65 and 66. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

Page 3 of 4

NOTE: Special Accommodations for persons with disabilities are available upon request five (5) days prior to the meeting date. Please call the Department of Water, County of Kaua'i, at 245-5408 or drop by at 4398 Pua Loke Street, Lihue, Kauai. Our mailing address is P. O. Box 1706, Lihue, HI 96766.
J. EXECUTIVE SESSION (cont'd):

3. **ES-2008-5 (5-8-08)** - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with legal counsel and department staff regarding A & B Properties, Inc. request for water service Ele'ele Industrial Park Subdivision, TMK: 2-1-02-051 and Ele'ele Residential Development Site, TMK: 2-1-02:003, Portion, Ele'ele, Koloa, Kauai, Hawaii. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

4. **ES-2007 (12-13-07 & 2-14-08)** - Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with Legal Counsel regarding questions and issues pertaining to the Board's and Department of Water's liabilities, powers and duties regarding personnel, labor and employment issues. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

5. **ES-2008-8 (6-05-08)** – Pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(2), (4), (6) and (8), one of the purposes of this executive session is to consider matters that require confidentiality under state law, to wit, to meet with the Board's legal counsel with regard to the Board's powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as such powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims as they relate to the selection of an individual to be given supervisory and/or managerial and/or developmental and/or consultation duties over the Kauai Department of Water and/or the Kauai Department of Water's Water Plan 2020. The further purpose of this executive session is to meet with the Board's legal counsel on questions and issues relating to the Board's powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as such powers, duties, privileges and immunities and/or liabilities, claims and/or potential claims, as they relate to the foregoing and to take such action as the Board deems appropriate.

6. **ES-2008-7 (5-8-08)** - Pursuant to Haw. Rev. Stat. Sections 92-4, 92-5(a)(3) and 92-5(a)(6), the purpose of this executive session is to consult with legal counsel and department staff regarding the acquisition of the Koloa 1.0 MG Water Tank site, Koloa, Kauai, Hawaii and consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

K. ADJOURNMENT
BOARD REPORT

Date of Board Report: July 9, 2008


Applicant: A & B Properties, Inc.

FINDINGS

LOCATION: ‘Ele’ele, Approximately adjacent and near to the easterly side of the intersection of Waialo Road and Kaumualii Highway further identified by Tax Map Key 2-1-02: 51 and Tax Map Key 2-1-02: Por. 3 affecting a total area approximately 48 acres.

I. ACTIONS REQUIRED:

A&B is asking the Board to waive the obligations as set forth in Ordinance No. PM 293-94 which required the Petitioner (A&B Properties, Inc.) to provide source, storage and transmission as represented in their Petition for Amendment to the State Land Use District Boundaries – Reclassifying Certain Lands Situated at ‘Ele’ele for Agricultural to Urban (TMK: 2-1-01 por. 3 and por. 27).

The Department of Water identified these projects as being located outside of the Department’s ‘Ele’ele service area. The Department is recommending that the applicant adhere to the Department’s recommendations that were made for various land use designation, zoning amendment, SMA (U) permit and subdivision applications for the project area. At the May 8, 2008 Board meeting, A & B questioned “who the water is being reserved for?” The Board requested that the Department provide additional information regarding the amount of potential water demand that would be required for future “in-fill” development within the ‘Ele’ele service area. (The applicant is requesting to use existing water source and storage capacity from the Department's existing water system facilities) See attached Board Report/Minutes of May 8, 2008 Board Meeting.

II. PROJECT DESCRIPTION AND USE:

See attached May 8, 2008 Board Report.

III. LEGAL REQUIREMENTS:

Ordinance No. PM-293-94 - Zoning Designation states the Petitioner shall construct water improvements, which may include a storage tank, connecting pipeline facilities, and adequate transmission facilities. The Petitioner shall resolve these requirements with the Department of Water prior to Final Subdivision approval for the proposed subdivision.
The Department recommends the Board require A&B to fulfill its obligations as represented in their Petition for District Boundary Amendment. See attached DOW letter to the Office of State Planning dated May 21, 1990 which states the DOW as no objections to the Amendment to the State Land Use District Boundary provided that water source, storage and transmission facilities are upgraded prior to actual developments. This letter also states the area involved in the petition is outside the service area, hence the Department's recommendations remained consistent with the boundary amendment conditions.

IV. APPLICANT'S REASONS/JUSTIFICATION:

Refer to Applicant's April 10, 2008 letter to the Board and the applicant letter of May 15, 2008 submitting revised demand calculation for the project.

ADDITIONAL FINDINGS

In response to the Board's motion at the June 5, 2008 meeting, the Department is reviewing the 'Ele'ele Water System capacity to address the Board request that the applicant work with the Department to and come to some agreement as far as how much source, how much storage, A&B is asking for and how much the Department wants to reserve for future in-fill demands.

The Department and A&B met on June 23, 2008. A&B's estimated the maximum day demand (MDD) to be 120,000 gpd for the 20-acre parcel Industrial Park Subdivision.

If the Board is considering allocating the maximum amount possible to allow A&B to develop the Industrial parcel, it would appear the storage capacity is the limiting factor. The available storage capacity in 'Ele'ele is 1.0 MGD, therefore with the existing MDD demand at 0.626 MGD, the remaining storage capacity available for future in-fill development would be 0.338 MGD. This allows an additional 169 single family units to be developed without any additional storage requirements.

However, as previously presented to the Board, all the water that services 'Ele'ele essentially is pump up from Hanapepe Valley through a single-feed transmission main. The Eleele (750 gpm) booster pumps were installed by A&B prior to 1990. When these booster pumps were installed, were the pumps sized to provide water to the 'Ele'ele Industrial Park and the 'Ele'ele Residential Development site? If so, then A&B should provide the engineering reports and reference documentation to substantiate that the booster pumps are adequately sized.

Based on the Board's motion, if there is not enough source and storage for the both the Industrial Park and the Residential Development subdivisions, would a temporary designation of water availability be a consideration in order to allow the Industrial Park parcel to move forward. The Department interpreted the Board's intent for a "temporary designation" to mean the Board still intended that A&B fulfill its requirement to provide
the source and storage water demands for both the Industrial Park and for the ‘Ele’ele Residential Development projects.

According to A&B, if the Board waives the water requirements for the Industrial Park, there would be no future obligation. So if and when, A&B plans to develop the ‘Ele’ele Residential Development parcel, and if “the cost figures do not pencil out”, A&B could walk away from doing the project.

Further, upon review of A&B Properties, Inc.’s petition for District Boundary Adjustment and Certificate of Service submitted to the State Land Use Commission, A&B stated in its application that “With respect to water, the Petitioner plan to develop a water well and storage facility to service the proposed development”, page 17. The boundary adjustment encompassed the lands mauka and makai of Halewili Road and included both the ‘Ele’ele Industrial Park and the ‘Ele’ele Residential Development sites.

A&B Properties’ Development Plan (Exhibit 4), Chapter III.C.-Water Plan indicates “The project is intended to be served by the County water system. Various on-site distributions systems and upgraded off-site transmission systems will be installed by A&B at its expense in accordance with County requirements. An additional water well and storage facility will have to be developed in order to serve the project, as more fully set forth in the Engineering Report (Exhibit 7). A&B Properties does not anticipate any problems in developing the water well and storage facility so as to meet A&B’s development timetable for the project. A&B will be responsible for the payment of its pro rata share of the cost of developing a new water well and storage facility required to service the project. Based upon the improvements to be constructed by A&B, the proposed water system will be adequate to serve the proposed development; no public agencies providing water services or facilities will be unreasonably burdened by the proposed development; the water system will not have any adverse impact upon any surrounding areas; and the water system and water requirements for the project will not necessitate an unreasonable investment in public infrastructure or support services or commitment of State funds or resources.”

To address the Board’s inquiry which would allow A&B to utilize the available storage capacity and limit the in-fill development in Ele’ele, the following is a revised status of the ‘Ele’ele Water System based on 2006 consumption data. Water demands are based on maximum day demand (MDD) criteria and are indicated in million gallon per day (MGD) units.

The Department reanalyzed the “Status of Source and Storage” spread sheet for the ‘Ele’ele water service zone and included the following revisions:

- The Pending development spread sheet was modified to include additional potential development within the ‘Ele’ele service area. These additional developments included subdivisions with tentative subdivision approval, lots with no meter service and potential ADU development within residential zoned areas.
Pending development demands for 'Ele'ele Nani Subdivision Phase I & II were reduced.

Fourteen (14) lots without water meter service was added to the “Pending developments” spreadsheet.

The “Kauai Habitat for Humanity” subdivision phase II (107 lots) which has tentative approval from the Planning Department was added to the spreadsheet without the department’s requirements included but were not limited to mainline extensions (no source or storage required).

Potential ADU’s (169 units) for the ‘Ele’ele service area within the residential zoned designations was added to the spreadsheet.

The total potential maximum day demand for the ‘Ele’ele service area resulted in a total pending demand of 0.338 mgd.

**Existing Status of DOW 'Ele'ele Water System:**

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<th>Current demand:</th>
<th>0.662 mgd</th>
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<tr>
<td>Pending demand:</td>
<td>0.338 mgd (See Attached Exhibit I)</td>
</tr>
<tr>
<td>Total demand:</td>
<td>1.000 mgd</td>
</tr>
</tbody>
</table>

Source Capacity 'Ele'ele: 1.15 mgd
Storage Capacity 'Ele'ele: 1.00 mgd

Available Source Capacity 'Ele'ele: 1.15 mgd - 1.00 mgd = 0.15 mgd
Available Storage Capacity 'Ele'ele: 1.00 mgd - 1.00 mgd = 0 mgd

**EVALUATION**

The Department of Water’s policy is to provide water service (one 5/8-inch water meter) to vacant lots of record within its respective service area. In addition, the Department provides water service for an ADU provided there are no restrictions in said service zone. The Department must account for “Kauai Habitat for Humanity” subdivision phase II because DOW comments have been provided for said subdivision without the requirements for additional source or storage facilities.

**CONCLUSION**

Based on the 'Ele'ele Water System’s constraints relative to source and transmission requirement, to simply look at available source and storage capacities may be misleading.

Additional source, storage facilities and transmission must be provided in order to allow full development of these future developments, unless the A&B provides the necessary documentation that the 'Ele'ele booster pumps, 27-inch transmission main and storage tanks were sized for these additional developments.
RECOMMENDATION

1) It is recommended that the Board not approve the applicant’s request to include the Ele’ele Industrial Park Subdivision and Ele’ele Residential development site in the Ele’ele water service area and instead affirm the Department’s recommendations that was made for various land use designation, zoning amendment, and SMA(U) permit and subdivision applications that indicated that the development area is outside the service area for which the Department’s General Plan for Domestic Water was prepared.

2) It is recommended that the Board not approve the applicant’s request and to use the existing water source and storage capacity from the Department’s existing water system facilities and instead require the applicant to prepare and receive Department approval for a water master plan for full development of the A&B 72-acre Ele’ele multi-use development that was conditioned by the various State and County agencies prior to final subdivision or building permit approvals.

Respectfully submitted,

Wynne M. Ushigome
Acting Manager & Chief Engineer

WU:rm
Attachments
Mgcpp/Testify—A&B Properties [7-15-08]:rm
LETTER OF TRANSMITTAL

DATE: April 10, 2008

TO: Board of Water Supply
    County of Kauai
    Attn: Ms. Wynne Ushigome

RE: Request for Water Service

Transmitted herewith is/are the following:

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<thead>
<tr>
<th>COPIES</th>
<th>DATE</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>12</td>
<td>4/10/08</td>
<td>Letter of Request and exhibits related to the referenced subject</td>
</tr>
</tbody>
</table>

(X) For Review and ( ) Approval ( ) Comments ( ) Execution
( ) As Required               ( ) For Information
( ) For Correction            ( ) For Your Files
(X) For Distribution          (X) See Remarks Below

UPON COMPLETION OF THE ABOVE:
( ) Return, copies for completion
( ) Send _ copies directly to:
( ) Other:

Remarks:
Your consideration of this request is greatly appreciated. If there is anything else that is needed please call me.
I would appreciate receiving notice of the date, time and place of the meeting.
Thank you.

By:  
Tom H. Shigemoto
Vice President

attach.

cc:  R. K. Sasaki
     P.W. Hallin
     J. Hasenyager
     D. Yasui
Board of Water Supply  
4298 Pua Loke Street  
Lihue, HI 96766  

Subject:  
Request for Water Service  
Ele'ele Industrial Park Subdivision  
TMK: (4) 2-1-02: 51, and  
Ele'ele Residential development site  
TMK: (4) 2-1-02: 03, Portion  
Ele'ele, Koloa, Kauai, Hawaii  

Chairman and members of the Board of Water Supply:  

Your consideration and approval of including the proposed project sites in the Ele'ele water service area is hereby requested. In seeking subdivision approvals for the industrial subdivision we were advised by the Department of Water staff that water is not available not because of the inadequacy of the system but because the subdivision parcel was not in the service zone. We, therefore, were required to provide source, storage and transmission for the 31-lot industrial subdivision, which is the primary subject of this inquiry (attached Exhibit A). However, the prohibition on water service also applies to the 28-acre area just mauka of the industrial subdivision which we refer to as Ele'ele Residential (Exhibit B). It is a project which includes a 21-acre (R-10) residential and a 7-acre (C-N) neighborhood commercial areas, which we recently secured zoning for.  

There is excess capacity in the Ele'ele water system to be able to supply both sites but we understand that the authority to grant the use of the water rests with the Board or the Manager as a matter of policy.  

BACKGROUND  

The subject properties are part of A&B’s plans to develop 72 acres into a multi-use development including Industrial (20 acres), Commercial (7 acres), Multi-Family Residential (21 acres) and Single-Family Residential (24 acres). These components were outlined in a petition for District Boundary Amendment to the State Land Use Commission (SLUC) for the entire area filed on May 1, 1990. Both the subject 20-acre industrial and the 24-acre Single-Family Residential areas were reclassified into the Urban District by the SLUC on December 18, 1990. The 24-acre single family parcel was sold to and is being developed by Habitat for Humanity as an affordable self-help project. It should be noted that water has been allocated for the project.  

The following is a descriptive chronology of the land use process for the subject industrial property:
On February 18, 1994, A&B filed a zoning change application with the County of Kauai for the 20 acres designated for Industrial use. The zoning change application was approved by the County Council on August 17, 1994, and the zoning ordinance was signed into law by the Mayor on September 2, 1994.

On January 4, 1995, an application was filed with the County of Kauai, Planning Department; to subdivide the 20-acre portion of the property zoned General Industrial, from the larger agricultural parcel. On March 23, 1995, the County Planning Commission granted tentative subdivision approval for the creation of the bulk industrial parcel and the agricultural remnant. Final subdivision approval for this subdivision was granted on September 14, 1995.

On August 7, 1995, a Special Management Use (SMA) Permit application was submitted to the County Planning Department to subdivide the 20-acre parcel into a 39-lot industrial subdivision. On October 12, 1995, the County Planning Commission approved the SMA Use permit for the subdivision.

On November 7, 1995, a subdivision application to create the 39 lots was submitted to the County Planning Department. On January 11, 1996, the Kauai County Planning Commission granted tentative approval for the small lot subdivision of the industrial parcel.

While tentative subdivision approval for the 39-lot industrial subdivision was granted in 1996, weak market conditions hindered further development progress at that time. We believe the market conditions for industrial lots have improved and potential development opportunities are being evaluated. A revised subdivision layout was filed with the Planning Department on or about March 6, 2008. Whether we proceed with the subdivision depends on the outcome of the decision on water availability.

The zoning amendment petition for the 28-acre site at Eleele was submitted in April 2005, approved by the County Council as Ordinance No. PM-2005-376, on December 14, 2005 and signed by the Mayor on December 20, 2005. Our condition in the ordinance relating to water states: “As recommended by the Department of Water, the Applicant is made aware that prior to the development of the area, new source, storage, and transmission water system facilities will be required to serve the additional water demands of this area. The applicant shall consult with and resolve these requirements with the Department of Water prior to Final Subdivision approval or at time of Class IV Zoning Permits for the project, whichever is first.”

**SOURCE CAPACITY AND DEMAND (HANAPEPE SYSTEM)**

Based on letters (attached, Exhibits “C” and “D”) from the DOW staff on the Eleele System’s source and storage capacity and demand, it appears that there is sufficient capacity and storage for this industrial subdivision and Eleele Residential project.
The source capacity of the Eleele System is 1,944 MGD and the storage capacity is 2.0 MGD.

The water demand for Eleele in 2006 was .785 MGD (Maximum Day Demand) which included .123 MGD for pending developments.

**JUSTIFICATION FOR THE REQUEST**

Based on the demand and capacity of the water system for Eleele, there is approximately 1.16 MGD available for future projects at Eleele.

The industrial subdivision will require approximately 80,000 GPD, which would leave more than a million gallons for future projects. The Eleele Residential including the 7-acre commercial area would need approximately 170,000 GPD. Based on the available vacant zoned properties in Eleele, there appears to be more than adequate capacity to serve future developments. The excess capacity of one million gallons per day translates in the ability to serve approximately 1333 residential units based on a maximum day demand (750 gallons per unit).

The 72 acres were already designated for future development in the 1984 General Plan. The subject 20-acre general industrial site was zoned in September 1994 and the 24-acre Habitat for Humanity site received its zoning in October 1996. The 28-acre residential/commercial phase recently received zoning approvals in 2006. The Water 2020 plan was adopted in 2000, which means the general industrial and residential properties were already zoned when it was adopted. For this reason we believe that all three of the phases should, therefore, have been included in the service area for Eleele.

In addition to the physical and planning justifications, there is a potential economic benefit to be derived from the proposed projects. There is a lack of inventory of general industrial zoned properties on Kauai. The proposed subdivision will provide the opportunity for industrial businesses to establish, which in turn translates into employment opportunities for our island residents. As the economy improves the added businesses and employment will also generate increased tax revenues for the County in the form of real property tax and to the State with the added GET, sales and income taxes.

Based on the foregoing, we believe granting our request for the water service is justifiable and we humbly solicit your concurrence and approval for the necessary capacity to proceed with the subdivision. Thank you.

Sincerely,

[Signature]

Tom H. Shigenoto
Vice President
January 4, 2008

Mr. Haroald Takemoto
R.M. Towill Corporation
420 Waikamilo Road, Suite 411
Honolulu, HI 96817-4950

Dear Mr. Takemoto:

Subject: Water Meter Service Inquiry: Proposed Eleele Industrial Park Subdivision, TMK: 2-1-01:051, Eleele, Kauai, Hawaii

This letter is in response to your December 4, 2007 water service inquiry letter.

The following Department of Water (DOW) response is for informational purposes only and describes the present water system status. It is subject to change without further notice. It does not represent a commitment or approval by the Department of the proposed or future water meter requests and/or subdivision and building permit applications. The inquirer is responsible to request information on water system status in the future.

Any actual subdivision or development of this area will be dependent on the adequacy of the source, storage, and transmission facilities existing at that time. At the present time, the proposed development is located outside the service area of the DOW. The applicant for former Subdivision Application, S-96-28 and Zoning Amendment, ZA-2005-2 was made aware of this. S-96-28 was required to complete a Water Master Plan for full development of the area. Additional source, storage, and transmission facilities were also required, as required by the approved Water Master Plan.

The following is in reply to your inquiry on the status of the existing DOW Eleele Water System: Currently, the Eleele Water System has approximately 0.168 MGD of source and 0.216 MGD of storage capacity available for the existing DOW service area. Existing transmission facilities capacity is dependent on the flows required, location, size of pipe, etc.

To date, it is our understanding that no formal application for subdivision or water meter request has been completed by the developer. As such, the DOW has not issued formal comments or recommendations regarding the development. Our October 23, 2007 letter was intended for informational purposes only and did not represent a commitment or approval of the proposed development or future water meter requests.

You may submit a request to be placed on the Board Agenda to address Department policy regarding your development. Please contact the Manager and Chief Engineer or any Board member to make the request at (808) 245-5408.

If you have any questions, please contact Mr. Keith Aoki at (808) 245-5418.

Sincerely,

Wynne M. Ushigome
Acting Manager and Chief Engineer

EXHIBIT C
March 4, 2008

Mr. Tom Shigemoto
A&B Properties, Inc.
P.O. Box 430
Koloa, HI 96756

Dear Mr. Shigemoto:

Subject: Water Meter Service Inquiry: Current Water Usage for the Department’s Hanapepe and Eleele Water System, Kauai, Hawaii Eleele Industrial Park Development, TMK: 2-1-01:051

This letter is in response to your February 20, 2008 water usage inquiry email.

The following Department of Water (DOW) response is for informational purposes only and describes the present water system status. It is subject to change without further notice. It does not represent a commitment or approval by the Department of the proposed or future water meter requests and/or subdivision and building permit applications. The inquirer is responsible to request information on water system status in the future.

We understand that you are asking for information concerning your proposed Eleele Industrial Park development in the eastern Port Allen area (east of Waialo Road).

Based on water meter consumption records:

- The Hanapepe area water demand was 0.744 MGD (MDD) in 2006 with an additional 0.008 MGD water demand required for pending development.
- The Eleele area water demand was 0.662 MGD (MDD) in 2006 with an additional 0.123 MGD (MDD) water demand required for pending development.

Pending development includes approved development projects in the Hanapepe-Eleele area. Pending development does not include the proposed Eleele Industrial Park.

The storage capacity of the Hanapepe-Eleele area is 2.0 MG.
The source capacity of the Hanapepe-Eleele area is 1.944 MGD

If you have any questions, please contact Mr. Keith Aoki at (808) 245-5418:

Sincerely,

Gregg Fujikawa
Chief of Water Resources and Planning

KA:mill W2-1-01:051 rev Shigemoto email

EXHIBIT D
MANAGER’S REPORT No. 15-15

October 23, 2014

Re: Discussion and Possible Action on the Honolulu Board of Water Supply Proposed Memo of Understanding regarding DOW’s Water Billing Services

RECOMMENDATION: Department of Water to sign Memorandum of Agreement with Honolulu Board of Water Supply (HBWS).

FUNDING:
Account No. 10-30-20-541-020 WU/Bill/Collection/Billing Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Bill Processing Fees</td>
<td>$102,960.00</td>
</tr>
<tr>
<td>Postage for Water Bills</td>
<td>$92,400.00</td>
</tr>
<tr>
<td><strong>Total Funds Available</strong></td>
<td><strong>$195,360.00</strong></td>
</tr>
<tr>
<td>Total Funding Balance</td>
<td><strong>$0.00</strong></td>
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</tbody>
</table>

BACKGROUND:
The Board approved Manager’s Report No. 15-03 on July 24, 2014 during its Regular Board meeting authorizing the Department to negotiate for a three (3) year temporary agreement with the option to sign a ten (10) year Memorandum of Agreement (MOA) if DOW decides to stay with Honolulu Board of Water Supply (HBWS) Customer Care & Billing (CC&B) system.

As part of the negotiation, a proposed Memorandum of Agreement was received by the Department from HBWS on September 4, 2014. We reviewed the terms and noted some key points as follows:

Term: October 1, 2014 through July 30, 2024 (October 1, 2014 effective start date to be changed before MOA is finalized.)

Termination: Anytime during the term, with 180 days’ notice by either party.

Fee: Move from a Per Bill Fee to an allocation of costs or cost share allocation of operating and capital recovery costs. Capital recovery costs to begin in FY 2017-2018.

The terms as proposed are in conformance with the recommendation we presented to the board and therefore recommend approval of the Memorandum of Agreement as drafted and proposed by HBWS.

OPTIONS:
Pros: 1) No interruption of billing service in the HBWS hosted CC&B while DOW continues to investigate other alternative billing solutions.

Cons: 2) Possible interruption of billing service from HBWS and DOW is not prepared for an immediate change in billing solutions.
Respectfully submitted,

Marites Yano
Waterworks Controller

CONCURRED:

Kirk Saiki, P.E.
Acting Manager and Chief Engineer

MY: ein

Attachment: Correspondence from Mr. Ernest Lau, P.E., HBWS dated October 3, 2014, regarding the Memorandum of Agreement.
Correspondence from Mr. Ernest Lau, P.E., HBWS dated July 31, 2014, regarding the Cost Allocation.

Mr. Kirk Saiki
Acting Manager and Chief Engineer
Department of Water
County of Kauai
P.O. Box 1706
Lihue, Hawai'i 96766

Dear Mr. Saiki:

Subject: Memorandum of Agreement

Enclosed for your signature are two copies of the Memorandum of Agreement between the Board of Water Supply, City and County of Honolulu, and the Department of Water, County of Kauai, effective October 1, 2014.

Please sign both copies of the Memorandum of Agreement where indicated on page 7. After all signatures are obtained, please return both documents to our office.

We will send you a copy of the fully executed document for your files.

If you have any questions regarding the Memorandum of Agreement, please contact Henderson Nuuhiwa, Program Administrator of our Information Technology Division, at (808) 748-5275.

Very truly yours,

[Signature]

ERNEST Y.W. LAU, P.E.
Manager and Chief Engineer

Enclosures
BILLING OF WATER SERVICE CHARGES

MEMORANDUM OF AGREEMENT

This MEMORANDUM OF AGREEMENT ("Agreement"), is made this _____ day of ______, 2014 by and between the BOARD OF WATER SUPPLY, City and County of Honolulu, a semi-autonomous agency of the City and County of Honolulu ("BWS"), and the DEPARTMENT OF WATER, County of Kauai, ("DOW") with regard to the billing of water service charges. The BWS and DOW shall collectively be referred to herein as the "Parties". This Agreement shall be for a ten-year period, commencing October 1, 2014 ("Effective Date").

WHEREAS, the BWS currently facilitates the processing, printing and mailing of water bills to DOW's customers on the island of Kauai (collectively "Water Billing Services"); and

WHEREAS, the BWS is currently providing these services under an agreement that expires on September 30, 2014; and

WHEREAS, the BWS agrees to continue to provide the Water Billing Services on behalf of DOW subject to the terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereto agree as follows:

1. SCOPE OF WATER BILLING SERVICES TO BE PROVIDED BY THE BWS

   1.1 The BWS will license and host the Customer Information System (CIS) software; deploy the CIS on the BWS hardware and provide network access; provide CIS system support through patches, bug fixes and new releases; and provide CIS database support.

   1.2 The BWS will provide CIS software technical support to DOW personnel through the BWS Information Technology Division (IT) Help Desk, or BWS IT Applications Analysts, or Contract Application Consultants. This support will include:

       1.2.1 Basic customer issues related to the CIS such as, troubleshooting and resolving application and network problems, resetting and administering passwords, setting up and administering profiles, system security, and configuration changes to support changes in rates or rate structure.

       1.2.2 Being the contact point for all reported problems and configuration and enhancement requests.
1.2.3 Development of special reports for DOW if required. DOW will submit an IT Request for configuration, enhancement and special reporting services, and BWS will assess the request for level of effort, timeframe and cost (if any) to implement. BWS will provide this assessment to DOW for acceptance and approval. Costs for services provided to fulfill the IT Request will be the responsibility of DOW except for costs for annual or other standard rate adjustments not involving a rate structure change. A three (3) month lead time is required for rate changes involving changes in rate structure.

1.3 The BWS will be responsible for the processing, printing, bundling and mailing of all water bills. The BWS currently outsources this function to a vendor. This outsourcing contract will come up for renewal occasionally, and this agreement is separate and apart from any particular vendor the BWS has chosen to use.

1.4 The BWS will bill all customers on a monthly basis.

1.5 The BWS will update DOW customer account payment information upon receipt of valid electronic payment data from identified financial vendors.

1.6 The BWS will provide monthly, quarterly, and annual sales, adjustments, and payment information in support of financial and audit needs.

1.7 The BWS will provide its best efforts in ensuring system resiliency and performance on a par with that provided for itself and ENV.

2. DOW DUTIES

2.1 Payment. DOW agrees to pay the BWS the following charges for the services set forth in Section 1 above:

2.1.1 From October 1, 2014 through June 30, 2015; in the form of a per bill fee equal to $0.3069 plus actual postage, which BWS will invoice monthly to DOW

2.1.2 From FY16 through FY24; in the form an annual charge (to include Operational and Capital Recovery Charges as defined in sections 2.1.2.1 and 2.1.2.2 below) projected in Exhibit A; which BWS will invoice in quarterly increments to DOW
2.1.2.1 Operational Charges based on DOW’s pro-rata share (determined by percentage of accounts in the CIS) of the BWS and Contract Support Personnel and overhead costs, Annual Software License costs, Hardware costs, Software and Hardware maintenance costs, bill printing, production and presentment costs, and actual mailing costs.

2.1.2.2 Capital Recovery Charges, based upon DOW’s pro-rata share (based on percentage of accounts in the CIS) of the initial projected BWS CIS Implementation Project cost of $7.136 million, allocated over the term of this agreement, as proposed in Exhibit A. If DOW terminates this agreement prior to the expiration date, BWS will consider any outstanding Capital Recovery Charge balance as being satisfied.

2.1.3 Any costs identified via an IT Request submittal that has been accepted and approved by DOW.

2.1.4 The annual amount of payments for items 2.1.1 through 2.1.3 will be estimated by the BWS for the subsequent fiscal year by April of the current fiscal year (unless an earlier date is needed due to budgeting processes and mutually agreed upon by both parties), and submitted to DOW via a proposed amendment to Exhibit A of this MOA.

2.1.5 Since these amounts are estimates of cost for the upcoming year, actual costs incurred (whether up or down) are to be adjusted in the subsequent year estimation (hence the Prior FY Adjustment column in Exhibit A). Upon the expiration or termination of this agreement, any outstanding estimate versus actual costs variances incurred during the term of the agreement will be invoiced or refunded to DOW as soon as it is determined, but not to exceed two fiscal years following expiration/termination.

2.2 **Responsibilities.** Anything not specifically set forth herein as being the responsibility of the BWS in regard to the DOW customers shall be the sole responsibility of DOW.
2.2.1 DOW will be responsible for all water service related inquiries from customers on amounts due, payments made, customer changes, service investigation, adjustments, credit, collections, write-offs, etc. related to water service charges.

2.2.2 DOW will be responsible for all meter readings collection and timely transmission of read data to BWS for processing.

2.3 Agreement to Negotiate in Good Faith. Regarding the determination of cost share allocation, the following understanding is accepted by the parties.

2.3.1 If DOW and BWS agree that there is a need for further capital investment in the BWS CIS, DOW and BWS agree to negotiate any Capital Recovery cost sharing related to such negotiated and agreed investment, and to include such agreed Capital Recovery cost sharing in Exhibit A.

2.3.2 If there is a material change in operational costs for the BWS CIS, DOW and BWS agree to negotiate any changes to the methodology used in determining the cost sharing for Operational Charges and to include such agreed changes in Exhibit A.

3. DURATION OF THE AGREEMENT

3.1 Term of the Agreement. The term of the Agreement shall be for the period beginning on October 1, 2014, i.e. the Effective Date of this Agreement, and ending on June 30, 2024 ("Term"). The Term may be extended only upon terms and conditions that are mutually agreed upon by the Parties. If DOW wishes to extend the Term, such request shall be made to the BWS, in writing, no later than March 31, 2024. The Parties expressly acknowledge that if no such agreement is reached by March 31, 2024 extending the Term, then the BWS shall not be obligated in any manner to provide the Water Billing Services on behalf of the DOW after the Term. Any outstanding estimate versus actual costs variances incurred during the term of the agreement will be handled in accordance with section 2.1.5 above.

3.2 Right to Terminate the Agreement. Either Party shall have the right to terminate this Agreement upon providing one hundred eighty (180) days written notice to the other Party. Immediately upon termination of the Agreement, the BWS's obligations under this Agreement shall cease and the BWS shall have no obligation to provide any Water Billing Services on behalf of the DOW. If DOW initiates a termination of this agreement prior to the ending of the Term, any unpaid Capital Recovery Charges will be forgiven by the BWS,
and will not result in an unpaid liability for DOW. Any outstanding estimate versus actual costs variances incurred during the term of the agreement will be handled in accordance with section 2.1.5 above.

4. LIMITED LIABILITY

4.1 Waiver of Claims by the DOW Against the BWS. DOW agrees to waive all claims against the BWS, except claims for indemnification as provided in Section 4.2, in regard to any services provided to DOW under this Agreement, unless based on gross negligence, intentional or reckless misconduct, or any other liabilities that Hawaii law does not permit to be excluded by agreement.

4.2 Defense and Indemnity. DOW agrees to defend and indemnify the BWS for any Customer or other claims arising out of DOW's responsibilities under this Agreement, except to the extent such claims are attributable to the gross negligence, intentional or reckless misconduct, or any other liabilities that Hawaii law does not permit to be excluded by agreement of BWS. BWS agrees to defend and indemnify DOW for any Customer or other claims arising out of BWS's responsibilities under this Agreement, except to the extent such claims are attributable to the negligence of DOW.

5. MISCELLANEOUS

5.1 Entire Agreement. This Agreement shall not be altered, amended, modified, or otherwise changed, in any respect or particular whatsoever, except by writing duly executed by the Parties. The Parties hereby acknowledge and agree that they will make no claim at any time that this Agreement has been orally altered or modified in any respect whatsoever. This Agreement constitutes a single integrated written contract; expresses the entire agreement among the Parties; and supersedes all prior oral and written agreements, representations, negotiations, and correspondence with respect to the matters addressed in the Agreement.

5.2 Assignment; Successors. No Party may assign any or all of its rights or interests in, or delegate any part or all of its performance or obligations, under this Agreement without the prior written consent of the other Party. Subject to the preceding sentence, this Agreement shall apply to, be binding in all respects upon and inure to the benefit of, the respective successors and permitted assigns of the Parties.

5.3 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws by any court of competent jurisdiction, such provision shall be fully severable; the Agreement
shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of the Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

5.4 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Parties agree that facsimile signatures shall be valid for purposes of execution.

5.5 **Notices.** All notices, requests, communications and documents required or permitted by this Agreement shall be in writing and shall be deemed given to a Party when (i) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (ii) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (iii) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a Party may designate by notice to the other Party):

**To BWS:**
Board of Water Supply  
630 South Beretania Street  
Honolulu, Hawaii 96843  
Attention: Executive Support Office  
Telephone: (808) 748-5231  
Facsimile: (808) 550-9016

**To DOW:**
Department of Water  
County of Kauai  
P.O. Box 1706  
Lihue, Hawaii 96766  
Telephone: (808) XXX-XXXX  
Facsimile: (808) XXX-XXXX

5.6 **Rules of Construction.** The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement as of the date first written above.
BOARD OF WATER SUPPLY

By ______________________
Its: Manager

DEPARTMENT OF WATER
County of Kauai

By ______________________
Its: Director

APPROVED AS TO FORM:

By ______________________
Its: Deputy Corporation Counsel
MARIYN C. USHIJIMA

APPROVED AS TO FORM:

By ______________________
Its: Corporation Counsel
## Kauai Cost Allocation

### Kauai Only Services

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16 12/31</th>
<th>FY17 Budget</th>
<th>FY18 12/31</th>
<th>FY19 12/31</th>
<th>FY20 12/31</th>
<th>FY21 12/31</th>
<th>FY22 12/31</th>
<th>FY23 12/31</th>
<th>FY24 12/31</th>
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</thead>
<tbody>
<tr>
<td>Billing Costs</td>
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<tr>
<td>Printing &amp; Mailing (based on actual UH-60 invoices and USPS)</td>
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<td>$51,873.17</td>
<td>$57,190.17</td>
<td>$57,190.17</td>
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<td>Postage</td>
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<td>$2,699.67</td>
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<td>$102,154.77</td>
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<td>$143,798.32</td>
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</table>

*Since the BWS budget for FY16 was not known when this projection was developed, the BWS FY16 budget plus 5% is used for FY17 projections. Any budget variance actual variances for FY16 will be adjusted in FY17 budget projection.*

### Kauai Only Services Total

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
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<th>FY16 12/31</th>
<th>FY17 Budget</th>
<th>FY18 12/31</th>
<th>FY19 12/31</th>
<th>FY20 12/31</th>
<th>FY21 12/31</th>
<th>FY22 12/31</th>
<th>FY23 12/31</th>
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</thead>
<tbody>
<tr>
<td>Kauai Only Services Total</td>
<td>$144,566.84</td>
<td>$144,566.84</td>
<td>$159,384.94</td>
<td>$159,384.94</td>
<td>$167,354.19</td>
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<td>$193,732.39</td>
<td>$208,426.05</td>
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### All Partner Services

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<th>FY16 12/31</th>
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<th>FY22 12/31</th>
<th>FY23 12/31</th>
<th>FY24 12/31</th>
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</thead>
<tbody>
<tr>
<td>C/S Software Support - Application Systems Development Branch (BU6570)</td>
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<tr>
<td>FY14-4 FTE/FY15-5 + Overhead (OB)</td>
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<tr>
<td>Hardware Replacement Costs (5 year life)</td>
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<td>$1,476.80</td>
<td>$1,484.80</td>
<td>$1,503.94</td>
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<td>$1,563.36</td>
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<td>$1,643.92</td>
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<tr>
<td>C/S Hardware Support Costs (BU6510-4130, Assume 3/2 hr per day)</td>
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<td>$1,342.03</td>
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<td>C/S Software Licenses</td>
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### ALL PARTNER SERVICES TOTAL

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<th>FY15</th>
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<th>FY22 12/31</th>
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<tr>
<td>ALL Partner Services Total</td>
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### ALL Services Totals

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<th>FY23 12/31</th>
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<tbody>
<tr>
<td>Capital Recovery Allocation (0.25% of $77.3 Million)</td>
<td>$660,080.00</td>
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<tr>
<td>TOTAL Kauai Allocation</td>
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<td>TOTAL Kauai PY14 Payments</td>
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<td>TOTAL FY16 Kauai Share Allocation</td>
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### NET ACTUAL COST LESS ACTUAL RECEIPTS

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<tr>
<th></th>
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<th>FY15</th>
<th>FY16 12/31</th>
<th>FY17 Budget</th>
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<th>FY22 12/31</th>
<th>FY23 12/31</th>
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</thead>
<tbody>
<tr>
<td>FY14 Average</td>
<td>32.39%</td>
<td>43.39%</td>
<td>32.43%</td>
<td>43.35%</td>
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<tr>
<td>FY15 Budget</td>
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<tr>
<td>Kauai</td>
<td>9.23%</td>
<td>0.00%</td>
<td>9.28%</td>
<td>0.00%</td>
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</tbody>
</table>
Mr. Kirk Saiki  
Acting Manager and Chief Engineer  
Department of Water  
County of Kauai  
P.O. Box 1706  
Lihue, Hawaii 96766

Dear Mr. Saiki:

Subject: Cost Allocation

We have recently fielded an inquiry from Ms. Marites Yano of your staff regarding the status of our agreement for billing services, and our proposal for a new agreement submitted for your consideration on May 13, 2014. Ms. Yano was also aware of discussions the Board of Water Supply (BWS) is having with the Department of Water Supply, County of Maui, regarding their billing agreement and our resulting proposal to them. Specifically, Ms. Yano was inquiring whether or not a similar proposal would be provided to Department of Water, County of Kauai (DOW), now that it had gained approval from its board to negotiate a new contract with BWS.

In response to this inquiry, I am summarizing the key points of our proposal for your consideration. Assuming it is acceptable to DOW, we will draft a formal Memorandum of Agreement (MOA) for your final review and signature.

The key points to be noted are:

**Term:**
- October 1, 2014 through July 30, 2024

**Termination:**
- Anytime during the term, with 180 days' notice, by either party

**BWS Intent:**
- Move from a Per Bill Fee, to an allocation of costs – or Cost Share Allocation – model, as is currently in place with Department of Environmental Services (ENV), City and County of Honolulu.
- Equitably recoup the ongoing cost of day-to-day operations and maintenance of the system – projections of these annual costs are to be provided to DOW for the upcoming Fiscal Year (FY), based on BWS’s approved annual budget for the upcoming fiscal year, and including any adjustments for the prior year budget versus actual.
- Equitably recoup the initial cost of implementation - cost to be recouped is based on the estimate initially projected at project inception and not the actual cost.
- Both annual operations and implementation costs are to be invoiced to DOW on a quarterly basis, with the caveats noted under Consideration below.
Cost Allocation:
- Costs to be allocated based on the percentage of accounts DOW has within the Customer Care and Billing (CC&B) system.

Considerations:
- Recognizing that this new agreement will commence after the approval of DOW's FY15 budget, BWS proposes to maintain the current per bill fee based structure and rate of 30.7 cents per bill, through the end of FY15 (June 30, 2015). Commencing July 1, 2015, the new cost allocation model, based on percentage of accounts, will take effect. The projected FY 16 DOW cost share amount will be provided to DOW before the end of April 2015. BWS will also provide projected cost share amounts to DOW for subsequent FYs on a similar timetable.
- As BWS believes it is in the best interest of both parties for DOW to seek an alternative solution to their billing services requirements, the following considerations are also provided:
  - Cost share amounts for the system implementation cost will be deferred until FY18. Commencing with the FY18 projection, the implementation cost will be included, and increased with each subsequent annual projection, to ensure full recoupment by the end of the MOA term.
  - Should DOW secure an alternative solution for its billing services, and terminate the MOA with BWS, BWS will not seek to recoup any unrecovered implementation costs. Implementation costs notwithstanding, any budget versus actual operational cost differences will be adjudicated as appropriate, once identified.

This summarizes the key points of our latest discussions and proposal to the Department of Water Supply, County of Maui. I have also enclosed for your review and consideration a spreadsheet that reflects the resulting cost allocation to DOW under this proposal.

Should you have any further questions regarding this proposed agreement, please feel free to contact me at 808-748-5061 or Henderson Nuhiwa, Program Administrator of our Information Technology Division, at 808-748-5275.

Very truly yours,

[Signature]
ERNEST Y.W. LAU, P.E.
Manager and Chief Engineer

Enclosure
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<td><strong>CIS Software Support</strong></td>
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<td>This is the projected amount for the period Oct 2014 - June 2015 when based on the Cost Share Allocation model. In recognition of Kauai’s approved FY15 budget, BWS will agree to a per bill fee model using a cost of $.307 until FY16.</td>
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<td><strong>VICIS TOTAL</strong></td>
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<td>$149,257.29</td>
<td>$208,960.21</td>
<td>$219,408.22</td>
<td>$220,378.63</td>
<td>$241,897.57</td>
<td>$253,992.44</td>
<td>$266,692.07</td>
<td>$280,026.67</td>
<td>$294,028.00</td>
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<td><strong>Total</strong></td>
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<td>$1,032,253.94</td>
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**Henderson Nuuhiwa:**

This amount is based on 21,172 bills monthly at 30.7 cents per bill from Oct 2014 - June 2015. Postage estimated at 25 cents per bill. Subsequent FYs amounts are for budgeting purposes, with budget versus actual differences to be adjusted in the FY.
Proposed Capital Improvement Projects (CIP) for the

Department of Water
County of Kaua‘i

"WATER HAS NO SUBSTITUTE - CONSERVE IT"

Request for State Aid

2015 Legislative Session
Our Fiscal Year 2015 request for Capital Improvement Funds is designed to address the urgent needs of our community, including top priority project below that would address public safety and affordable housing by:

1) **Assist in decreasing power costs while providing transmission for affordable housing in the Eleele area.**  
   *(Project Name: Hanapepe/ Eleele Transmission Waterline Improvements Project)*;  
   Our **first and top priority** project request would fund and construct a transmission line joining Hanapēpē and Eleele. This would assist in providing transmission facilities for the County’s planned affordable housing in the Eleele area. The improvements to our water systems will allow water service to the lower Eleele area without having to pump water to a high elevation and gravity feeding the water back to low elevations. This will save on power costs.

2) **Our second priority** upcoming project request is for transmission improvements in the Lihue District, which is a priority area to support the development of the County’s affordable housing and the proposed development plans for the area. The transmission improvement will increase fire flows to the Wilcox Hospital and Wilcox Elementary School. *(Project Name: Kapaia Cane Haul Road 18” Main)*; and

3) **Our third priority** upcoming project request is to drill and develop a well for needed additional source for the lower Kapaa Homesteads area and to potentially help support the development of priority affordable housing in Lihue, and in the lower Kapaa Homesteads area if planned. *(Project Name: Drill and Develop Kapaa Homesteads Well No. 4)*; and

4) **Our fourth priority** upcoming project to developing storage infrastructure that will provide adequate fire flow storage capacity for Kapaa High School and the Mahelona Hospital. The existing Kapaa Homesteads 313’ tank does not provide adequate fire storage capacity for the school or hospital. *(Project Name: Kapaa Storage Improvements)*; and

5) **Our fifth priority** upcoming project request is for transmission improvements in the Kawaihau District. The transmission improvements will help to improve available flows to the Kapaa Homesteads area and help to fill the storage tank(s) that provide storage for fire flow to the Kapaa High School and Mahelona Hospital. *(Project Name: Kawaihau, Kahuna and Piliamoo Roads - 12” and 18” Mains)*.

The Kauai Department of Water’s revenue is derived through water sales and used for the operation and maintenance of our water systems. Our water systems are not highly integrated and typically rely on only a few water sources and storage tanks within a separate water system serving individual communities around the island.

Pipelines originally installed in many of these systems are commonly small and undersized by today’s standards. The Department of Water completed and periodically updates our comprehensive long-range plan, Water Plan 2020, to address the infrastructure needs of Kaua‘i’s water systems and our water rates and revenue needs. Our resources are not enough to develop infrastructure needed to satisfy Kaua‘i’s future needs and replace aging water systems. With a customer base of 21,263 services, assistance from the State is vital to ensure the long-term viability of our drinking water systems.
The Board of Water Supply and the Department are committed to operating the waterworks of the County in a fiscally responsible fashion, and have taken measures to provide for adequate funding for the Department. We are currently conducting a study on the Facilities Reserve Charge (FRC) (a fee to be paid by developers or new consumers for connection to the water system), which are indicative of our willingness to increase revenues towards becoming more self-sufficient.

We also are continuing with the engineering design of the Kapaʻa Storage and Pipeline improvement project.

Ultimately, given the high cost of infrastructure development and the Kauai Department of Water’s limited fiscal capability, achieving our goals for Kauaʻi water system improvements depends on the availability of State and Federal grants-in-aid.
## Department of Water, County of Kaua‘i
### SUMMARY REQUEST FOR STATE AID
#### CAPITAL IMPROVEMENT PROGRAM (CIP)
#### Fiscal Year 2015

<table>
<thead>
<tr>
<th>SYSTEM</th>
<th>WATER PLAN 2020 NO.</th>
<th>PROJECT</th>
<th>FISCAL YEAR</th>
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</thead>
<tbody>
<tr>
<td><strong>Priority No. 1:</strong> Eleele Affordable Housing</td>
<td></td>
<td><strong>AFFORDABLE HOUSING Infrastructure Development</strong></td>
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<tr>
<td></td>
<td>HE-1</td>
<td>Hanapepe to Eleele Transmission Line 16”</td>
<td>4,450,000</td>
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<tr>
<td></td>
<td>PLH-35b</td>
<td>Maalo Road to Ehiku Street Transmission Line</td>
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<td><strong>Priority No. 2</strong></td>
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<tr>
<td>Kapaia Cane Haul Road 18” Main</td>
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<tr>
<td><strong>Priority No. 3:</strong></td>
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<tr>
<td>Wailua/Kapa’a Water System</td>
<td>WK-39</td>
<td>Drill &amp; Develop Kapa’a Homesteads Well No. 4</td>
<td>4,000,000</td>
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<td></td>
<td>WK-8</td>
<td>Kapa’a Storage Improvements</td>
<td>8,000,000</td>
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<td><strong>Priority No. 4:</strong></td>
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<td>Wailua/Kapa’a Water System</td>
<td>WK-27A WK-33</td>
<td>Kawaihau, Kahuna &amp; Piliamoo Roads - 12” and 18” Mains</td>
<td>4,500,000</td>
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<td><strong>Priority No. 5:</strong></td>
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<tr>
<td>Wailua/Kapaa Water System</td>
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<td><strong>TOTAL</strong></td>
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<td>24,450,000</td>
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</table>
County of Kaua‘i, Department of Water

INDIVIDUAL CAPITAL PROJECT REQUIREMENTS
Fiscal Year 2015

PRIORITY NO. 1

Hanapepe/Eleele WATER SYSTEM

1. PROJECT LOCATION AND DESCRIPTION:

16-Inch Water Transmission Line

Water Plan 2020 Project Nos. HE-1

Affordable Housing Infrastructure Development

Design and construct approximately 5,000 feet of 16-inch water main along Hanapepe Road, Puna Road and Kaumualii Highway connecting to the existing 12-inch main in Ka Road connecting to the existing 16” line at the corner of Waialo Road and Kaumualii Highway.

2. ESTIMATED COST:

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<th>FISCAL YEAR</th>
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<tr>
<td></td>
<td>2-Year Total</td>
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<tr>
<td>A. Land</td>
<td>50,000</td>
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<td>B. Plans</td>
<td>400,000</td>
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<td>C. Construction</td>
<td>4,000,000</td>
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<tr>
<td>TOTAL</td>
<td>4,450,000</td>
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</table>

3. JUSTIFICATION:

The southeast side of El’ele including the Port Allen, Ele’ele Shopping center and all of Ele’ele area is served by one transmission pipeline. That pipeline follows a steep cliff out of Hanapepe valley to the DOW 310’ elevation reservoir. From the 310’ elevation reservoir the south side of El’elee can be served.

With this project DOW would not have to pump water to the 310’ elevation which the transmission line coming up the side of the cliff serves. Water going through this proposed line would serve the 194’ elevation to sea-level service area. Any damage to the existing line that would take it out of service would result in the need to truck water or taking some other emergency measure to supply water to the area served. The time available to implement these emergency measures would be about 12 hours which the existing 310’ elevation storage reservoir could supply water with no water being feed into the reservoir. The proposed Alternative Transmission project will alleviate this issue by having an alternate way to feed water into the area that would be a part of normal operations.

Since is transmission line would serve an area critical to electricity production on the island we feel this project has benefits beyond saving electricity. This back up line has been required of every developer for the last 20 years that has wanted to build on the southeast side of Eleele. DOW will also be providing funding for alternative booster pump stations and storage reservoirs on the southeast side of Eleele.
1. Replace (2) 0.4 MG Steel Tank with 0.5 MG Concrete Tanks and 212 and 402 Elevation

2. Replace 27-inch steel pipe with Main along Kaumualii Highway

3. Replace Hanapepe Valley Booster Station with Booster Pump at 212 Tank

4. Install PRV Station in Elele Nani

Water Plan 2020
Project Number: HE-1
Project Description:
Reorganize Water System
County of Kaua‘i, Department of Water

INDIVIDUAL CAPITAL PROJECT REQUIREMENTS
Fiscal Year 2015

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<th>PRIORITY NO.</th>
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Puhi-Lihue-Hanamaulu WATER SYSTEM

1. PROJECT LOCATION AND DESCRIPTION:

Kapaia Cane Haul Road 18-Inch Main

Affordable Housing Infrastructure Development

Construction of approximately 9,000 feet of 18” water main that will provide a new transmission line connecting Maalo Road to Ehiku Road. The new transmission line will improve flows from the SWTP source to the planned affordable housing in Lihue.

2. ESTIMATED COST:

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<th>FISCAL YEAR</th>
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<td>2-Year Total</td>
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<td>D. Land</td>
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<td>E. Plans</td>
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<td>F. Construction</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3,500,000</strong></td>
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</tbody>
</table>

3. JUSTIFICATION:

The Kapaia Surface Water Treatment Plant (SWTP) located along Maalo Road, provides the bulk of the source water for the Lihue area. The existing transmission facilities along Kuhio Highway from Maalo Road to the Lihue area are not adequate to utilize the capacity of the SWTP and provide adequate flows for the planned development of the area. The proposed 18” waterline along the cane haul road is needed to adequately transmit the planned flow from the SWTP to where it is needed, including the planned affordable housing. The new transmission line will also allow the DOW to provide better service to the Wilcox Hospital and the Wilcox Elementary school. The transmission line will allow the DOW to provide better fire flows to the hospital and school, in addition to providing redundancy in the event that there is a main break in one of the transmission lines from the SWTP. The increased flows for fire protection may help in keeping hospital patients and school students safe in the event of a fire.
Priority No. 2

Map forthcoming by IT Group, DOW
1. PROJECT LOCATION AND DESCRIPTION:

**Drill and Develop Kapa‘a Homesteads Well No. 4**

Water Plan 2020 Project No. WK-39

**Affordable Housing Infrastructure Development**

Drill, test and develop a water well at the Department of Water’s Ornellas Tank Site.

2. ESTIMATED COST:

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<th>(in thousands of dollars)</th>
<th>FISCAL YEAR</th>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,000,000</strong></td>
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3. JUSTIFICATION:

The existing source facilities providing water service to Kapaa Homesteads area are deficient in source capacity, requiring additional source facilities. In recognition of the source deficiency, the Kauai Board of Water Supply has adopted a meter restriction policy of not more than five (5) 5/8-inch water meters per lot of record.

In addition, more source is needed in the Lihue area to help support the planned Lihue affordable housing projects. Due to the geology of the Lihue area, it is not expected that additional ground water wells in Lihue are feasible to develop. The DOW has the ability to move water from Kapaa to Lihue. Additional source developed in Kapaa can be used to supplement the Lihue area affordable housing projects. The Kapaa Homesteads well #4 can potentially provide additional source that can provide additional source for the Kapaa Homesteads area and for affordable housing in Lihue and Kapaa. The Department of Water has proceeded with the re-design of this project, and is expected to be ready to bid upon re-design completion.
Priority No. 3

Legend
- Tank
- Pump
- Pipe
- New Facilities

Water Plan 2020
Project Number: WK-39
Project Description:
Drill and Develop Kapaa Homesteads Well No. 4, 500 gpm
1. **PROJECT LOCATION AND DESCRIPTION:**

| Kapa‘a Storage Improvements | Water Plan 2020 Project No. WK-8 |

**Fire Protection Improvements for State Schools**

Design and construction of a new 2 (two) 0.5 million gallon storage tank and connecting pipeline within the Department’s Ornellas tank hydraulic zone.

2. **ESTIMATED COST:**

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<th>(in thousands of dollars)</th>
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<tr>
<td><strong>TOTAL</strong></td>
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3. **JUSTIFICATION:**

The lower Kawaihau area of the Kapa‘a Water System is deficient in storage capacity to provide fire protection for the schools and state hospital situated in this service area. To address this storage deficit, the Department of Water has proceeded with designing of a 2 (two) 0.5 million tank. The additional storage facilities will provide adequate fire protection storage for the schools and state hospital in this service area.

In addition, along with the proposed Kapaa Homesteads Well #4, this project can help in allowing the DOW to move water from Kapaa to Lihue to assist planned affordable housing in Līhu'e. Funds for construction of this tank and possible associated land acquisition are needed.
WAILUA-KAPAʻA WATER SYSTEM

1. PROJECT LOCATION AND DESCRIPTION:

Kawaihau Road Section, Kahuna and Piliamoo Roads 12-Inch and 16-Inch Water Mains

| Water Plan 2020 Project Nos. WK-27 and WK-33 |

Affordable Housing Infrastructure Development

Design and construct approximately 5,000 feet of 12-inch water main along Kahuna Road, connecting to the existing 12-inch main recently completed by a private developer (with participation by the Department of Water to oversize the main) to the intersection of Kahuna and Kawaihau Roads, then continuing with a 18-inch main along Kawaihau Road approximately 2,000 feet to the Ornellas Tank. In addition, design and construct approximately 4,000 feet of 18-inch water main along Kawaihau Road, connecting to the existing 12-inch water main to the 1.0 MG Makaleha Tank.

2. ESTIMATED COST:

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<tr>
<th>(in thousands of dollars)</th>
<th>FISCAL YEAR</th>
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<tr>
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</table>

3. JUSTIFICATION:

In addition to storage deficits, the upper Kawaihau area of the Kapaʻa Water System has been identified to be deficient in transmission system capacity. With major water source facilities in the upper system, the pipeline deficiencies limit the Department of Water’s ability to transmit water to the central and lower part of the Kapaʻa Water System where water is needed for both fire protection at Kapaʻa High School and Mahelona State Hospital, as well as to allow for development of affordable housing. The two (2) pipeline projects identified will effectively eliminate the pipeline bottleneck of this system.
Water Plan 2020
Project Number: WK-27
Project Description:
Kawaihau Road
Kaapuni Road - Piliamoo Road
12" Main Replacement (14,367')
Project Number: WK-33
Project Description:
Kahuna Road
12" Main Replacement 9,500'
County of Kaua‘i, Department of Water

BOARD OF WATER SUPPLY

of the

CHAIRPERSON:

CLYDE NAKAYA

VICE CHAIRPERSON:

SHERMAN T. SHIRAISHI

MEMBERS:

MICHAEL DAHILIG

LARRY DILL

RAYMOND M. McCORMICK

LAURIE HO

HUGH STROM

Acting MANAGER & CHIEF ENGINEER: KIRK SAIKI

Email: ksaiki@kauaiwater.org
Phone No. (808) 245-5408, FAX No. (808) 246-8628
P. O. Box 1706, Lihu‘e, HI 96766

"WATER HAS NO SUBSTITUTE - CONSERVE IT"
DEPARTMENT OF WATER
County of Kaua‘i

“Water has no Substitute – Conserve It!”

MANAGER’S REPORT No. 15-16

October 23, 2014

Re: Discussion and Possible Action for the Proposed New Clerical Assistant-Community Relations Position

RECOMMENDATION:
It is recommended that the Board approve the request to create the proposed new Clerical Assistant-Community Relations position, to be submitted to the County Department of Personnel Services (DPS).

BACKGROUND:
In the Annual Budget FY 2009-2010, the Board approved the Department’s request to create a new Clerical Assistant-Community Relations (Clerical Assistant) position in the Administration division, supervised by the Departmental Public Relations Specialist (PR Specialist). The Clerical Assistant position assisted the PR Specialist with various clerical duties, PR programs and events, as well as serving as a back-up when the PR Specialist was unavailable or on leave. This position was filled permanently between December 2010 and March 2012. It has been vacant since March 2012.

In May 2013, the Clerical Assistant position number was reallocated to the new Computer Systems Support Technician I position, which has been filled since December 2013.

Since 2012, there have been three transitional periods for the PR Specialist’s position. The current PR Specialist was hired in September 2013 and has since worked many regular and overtime hours on emergency incidents. These incidents include the failure of the primary and backup Kalaheo Deep Wells (May-July 2014); the Do Not Drink/Boil Water Advisory to all Lihue residents (July 2014); and disaster preparedness for Hurricane Iselle and Tropical Storm Julio (August 2014). These incidents along with other day-to-day water outages include many call-outs during non-business hours, weekends, and sick/vacation leaves.

In addition to the above, the current PR Specialist was given 1 ½ years to work on the expiring 3-year grant contract with the Hawaii State Department of Health – Safe Drinking Water Branch, to develop and implement an educational curriculum for Source Water Protection Education using Project WET (Water Education for Teachers) and other resources. This involved additional workload and time to plan for, create and coordinate the content, materials, professional facilitator, and other logistics for multiple training workshops held throughout the state in July.

Because the Clerical Assistant position no longer has a position number, this proposal is to create the position again. A Clerical Assistant will be extremely beneficial to the Department’s administration division. There have been numerous emergency situations this past year alone, and the PR Specialist did not have a designated and trained back-up to support communication efforts.

Water is one of the most vital natural resources for our community. When a problem with our water system occurs, it is extremely important to inform the public in a clear and timely manner. Having one
person in charge of disseminating public information “24/7” with no internal back-up is unrealistic. Creating the Clerical Assistant position will serve to support Admin staff and efforts, increase PR’s productivity in day-to-day tasks and during water system emergencies, allow PR to expand current or create new programs, and possibly allow PR to take on the task of writing grant proposals for the Department.

**FUNDING:** WU-Admin – Salaries & Wages 10-01-10-510-010

The proposed position will take time for DPS to review for initial allocation and classification. Therefore, appropriated funding is estimated for (3) months with and without estimated fringe & medical benefits.

<table>
<thead>
<tr>
<th>Salary funded by FY 2014-2015 Savings from Vacant Positions in Administration</th>
<th>3-months w/o fringe &amp; medical</th>
<th>3-months with fringe &amp; medical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical Assistant-Community Relations (Pos #_______)</td>
<td>$8,439.00</td>
<td>$12,929.00</td>
</tr>
</tbody>
</table>

**OPTIONS:**

**Approve:**

*Pros* – Will increase PR staff productivity in day-to-day tasks and during water system emergencies. Will support PR plans to expand current or create new conservation programs. Will provide an internal back-up for all PR duties. Will allow PR to take on other tasks such as writing grant proposals for the Department.

*Cons* – None

**Disapprove:**

*Pros* – None

*Cons* – Personnel may become burnt out because of the increasing workload along with the constant attachment to work call-outs without an internal back-up for relief. The Department’s PR programs will not be able to improve or expand as timely as intended. There won’t be a designated and trained internal back-up or additional support for public communication efforts during another emergency.

Respectfully submitted,

Kim Tamaoka
Public Relations Specialist

Funding reviewed:

Marites Yano
Waterworks Controller

CONCURRED:

Kirk Saiki, P.E.
*Acting* Manager and Chief Engineer

Attachment: Table of Organization Chart – Administration

Mgrrp/October 2014/15-16 Discussion and Possible Action for the Proposed New Clerical Assistant-Community Relations Position (10-23-14)
Manager and Chief Engineer, Ordinance, Position E-19

Deputy Manager-Engineer, Ordinance, Position E-30

Procurement Specialist IV, SR-22, Position 2497

Secretary, SR-16, Position 2354

Private Secretary, SR-20, Position E-35

Commission Support Clk., SR-14, 2493

Senior Clerk, SR-10, Pos. 2474

Clerk-Typist, SR-8, Pos. 2479

Waterworks Info Technology Officer IV, SR-28, Position 2485

IT Specialist III, SR-24, Pos. 2475

Computer Systems Support Tech. I, SR-13, Pos. 2492

CONSTRUCTION MANAGEMENT DIVISION

ENGINEERING DIVISION

OPERATIONS DIVISION

WATER RESOURCE AND PLANNING DIVISION

FISCAL DIVISION

WATER QUALITY DIVISION

Manager and Chief Engineer, Ordinance, Position E-19

Deputy Manager-Engineer, Ordinance, Position E-30

Procurement Specialist IV, SR-22, Position 2497

Secretary, SR-16, Position 2354

Private Secretary, SR-20, Position E-35

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IT Specialist III, SR-24, Pos. 2475

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CONSTRUCTION MANAGEMENT DIVISION

ENGINEERING DIVISION

OPERATIONS DIVISION

WATER RESOURCE AND PLANNING DIVISION

FISCAL DIVISION

WATER QUALITY DIVISION
MANAGER’S REPORT No. 15-17

October 23, 2014

Re: Discussion and Possible Action on Water Plan 2020 Project PLH-39, Lihue Base Yard Improvements (Phase I), Lihue Water System, Lihue Kauai, Hawai‘i, Third Amendment to Contract No. 512

RECOMMENDATION:
It is recommended that the Board approve a supplemental budget for Contract # 512 in the amount of $7,030.00.

FUNDING:
BAB/R&R/PLH-39A, Lihue Baseyard Complex Improvements

<table>
<thead>
<tr>
<th>Account No. Balance</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-20-00-604-114</td>
<td>$76.00</td>
</tr>
<tr>
<td>Funds requested</td>
<td>$7,030.00</td>
</tr>
<tr>
<td>Total Funds</td>
<td>$7,106.00</td>
</tr>
</tbody>
</table>

BACKGROUND:
This supplemental budget has nothing to do with the recently approved construction phase. It is not anything additional to previous design contract amendment approvals either.

The Board approved Manager’s Report No. 13-36 in March, 2013 to appropriate $7,030.00 to fund Contract Amendment #3 in the design phase of the Lihue Base Yard Improvements (Phase I) with Architects Hawaii Limited. The contract amendment was needed for the additional scope related to the FM-200 fire suppression system design. The contract amendment was processed but the funds were not encumbered in time for inclusion in the net roll over budgets when the budget was submitted for Board approval.

It is requested that the Board approve the re-appropriation of $7,030.00 for PLH-39A and update the FY 2015 approved budget with this amount for this particular job.

OPTIONS:
Pros: Approved - to complete the job as amended in the contract.
Cons: Disapproved – wait for next fiscal year budget and delay job completion.

Respectfully submitted,

Marites Yano
Waterworks Controller
CONCURRED:

Kirk Saiki, P.E.
*Acting* Manager and Chief Engineer

Attachment:  Manager’s Report 13-36, March 21, 2013 Request for Board Approval for Water Plan 2020 Project PLH-39, Līhu'e Base Yard Improvements (Phase 1), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i
Third Amendment to Contact No. 512

Mgrp/October 2014/15-17 Discussion and Possible Action on Water Plan 2020 Project PLH-39, Lihue Base Yard Improvements (Phase I), Lihue Water System, Lihue Kauai, Hawai'i, Third Amendment to Contract 512 (10-23-14)
MANAGER’S REPORT NO.13-36

March 21, 2013

Re: Request for Board Approval for Water Plan 2020 Project PLH-39, Lihue Base Yard Improvements (Phase I), Lihu’e Water System, Lihu’e, Kaua‘i, Hawai‘i

RECOMMENDATION:
It is recommended that the Manager approve a third contract amendment for contract 512 with Architects Hawaii Limited in the amount of $7,292.00.

FUNDING:
Job No. PLH-39, Lihue Base Yard Improvements (Phase I)

Original Funds Certified (W/U): $279,719.00

Contract No. 529, Architects Hawaii, Inc. $279,719.00
Additional Funds Certified (BAB) $628,000.00
Contract Amendment #1 (Design) $598,413.00
Contract Amendment #2 (Zoning/EA) $29,325.00
Proposed Contract Amendment #3 (FM-200) $7,292.00

Total Available Funding $907,719.00
Additional Funds Required: $ 7,030.00
Total Funding Required: $914,749.00

Funds Available from BAB $21,213,538.41
Minus Add. Funds for Proposed Amendment #3 $ 7,030.00
Available Balance: Account # 201-01 BAB Bond $21,206,508.41

BACKGROUND:
This project is for the design of a new administration building for the Department of Water (DOW). The DOW did not own the adjacent parcel the building is planned for and mechanisms had to be in place to rezone and acquire the parcel prior to construction. Thus, the scope of work involved the planning and permitting required with land acquisition and the design of the building.

A Master Plan and Environmental Assessment was completed with the original scope. After official authorization to act on behalf of the property owner, the County of Kaua‘i, to subdivide the land, we began the next phase which is the design based on the approved master plan as a guide. Contract amendment #1 included this design of the new building as well as a zoning change from Open (O) to Special Treatment-Public (ST-P).
During design review of the fire suppression system, we have determined the new IT server room should have a special fire suppression system. This special system was not anticipated in the original design. It is a FM-200 waterless fire suppression system. The system stops fires faster than conventional methods and does not leave behind residue, particulate matter or water all of which could cause damage to assets that the fire protection system is meant to protect.

The consultant, Architects Hawaii Limited is requesting $7,292.00 for the new scope of work in contract amendment 3. The project manager reviewed the request and finds it reasonable.

Respectfully submitted,

[Signature]

Dustin Moises, P.E.
Construction Management Project Officer

Concurred:

[Signature]

David R. Craddick, P.E., C.E.M.
Manager and Chief Engineer

Attachment: Scope of Work

DM:cin

March 2013 Request for Board Approval for Water Plan 2020 Project PLH-39, Lihue Base Yard Improvements (Phase I), Lihue Water System, Lihue, Kauai, Hawai'i (03-21-13)cin

REGULAR BOARD MEETING: Thursday, March 21, 2013

Board's Decision: ☑ APPROVED - ☐ DENIED - ☐ DEFERRED
☐ Received for the record ☐ Information only ☐ Defer Indefinitely

Notations: Mr. Dill moved to approve Manager's Report No. 13-36 - Request for Board Approval for Water Plan 2020 Project PLH39, Lihue Base Yard Improvements (Phase I), Lihue Water System, Lihue, Kauai, Hawai'i; seconded by Mr. McCormick; with no objections, motion was carried with 4 ayes.

Board Members Present: Chair, Randall Nishimura, Michael Dahilig, Larry Dill, Ray McCormick

Board Members Absent & Excused: Clyde Nakaya, Roy Oyama, Sherman Shiraishi
THIRD AMENDMENT TO CONTRACT NO. 512
LIHUE BASEYARD IMPROVEMENTS
FOR THE DEPARTMENT OF WATER – COUNTY OF KAUA'I
(WATER PLAN 2020 PROJECT NUMBER PLH-39)
LIHUE, KAUA'I, HAWAII

THIS THIRD AMENDMENT TO CONTRACT NO. 512, made and entered into by
and between the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, (hereinafter “Board”) and
ARCHITECTS HAWAII LIMITED, a Hawaii corporation, whose principal place of business and
mailing address is 1001 Bishop Street, Suite 200, Honolulu, Oahu, Hawaii 96813
(hereinafter “Contractor”).

WITNESSETH:

WHEREAS, the Board and the Contractor entered into Contract No. 512 on April 19, 2010 for
Lihue Baseyard Improvements (Water Plan 2020 Project No. PLH-39) (hereinafter “Project”), which
consisted of designing, surveying and verifying available topographic maps, performing environmental
assessments, preparing preliminary engineering reports and completing detailed construction plans,
specifications, estimates of quantities and cost and creating a bid proposal; and

WHEREAS, the original scope of work involved preparation of a master plan for the baseyard
improvements and an environmental assessment; and

WHEREAS, the parties determined that the original scope of work had to be revised to include
Phase I design of the baseyard improvements; and

WHEREAS, the scope of work was revised in the First Amendment to Contract No. 512 to include
design of the baseyard improvements; and

WHEREAS, the scope of work was revised in the Second Amendment to Contract No. 512 to
include re-zoning of the Project site; and

WHEREAS, additional professional services are needed for an FM-200 fire suppression system;
and

WHEREAS, the Board and Contractor have agreed to extend the contract to May 31, 2013 to allow
for the additional work; and

WHEREAS, the Contractor is able and qualified to provide such professional services required for the
Project; and

WHEREAS, the Contractor is willing to provide the additional services required, and funds are
appropriated and available to compensate the Contractor for $7,292.00; and

WHEREAS, the total sum of $7,292.00 includes any and all applicable State, Federal and County
taxes; and

WHEREAS, Paragraph 2 of the Contract allows for changes in the scope of work which are
mutually agreed to by the parties; and

WHEREAS, Paragraph 13 of the General Terms and Conditions of Contracts of the County of
Kaua‘i allow for contract modification within the general scope of the agreement, subject to mutual
agreement of the parties; and
WHEREAS, the term “Contract” as used in this Amendment includes both Contract No. 512 and the First Amendment to Contract No. 512

NOW THEREFORE, for and in consideration of the mutual promises, consideration and understandings set forth in the Contract, the Contract is hereby amended as follows:

1. Paragraph 5 of the Contract, **Time of Completion**; is deleted in its entirety and replaced with:

"5. **Time of Completion**: All work shall be completed and submitted no later than May 31, 2013."

2. Paragraph 10 of the Contract, **Compensation**; is deleted in its entirety and replaced with:

"10. **Compensation**. In full consideration of the services to be performed under this Contract, the Board agrees to pay the Contractor the total sum of Nine Hundred Seven Thousand Four Hundred Fifty-Seven and No/100 ($907,457.00) for all of the work described in the Scope of Work. Payment for each task will be authorized for completion of that task, in accordance with the cost breakdown indicated in Exhibit “B-2.”

In the opinion of the Contractor, all work necessary to obtain the objectives and interest of this Contract are described in the Contract Documents.

As long as the Contractor performs the services to be rendered under this Contract in a manner satisfactory to the Board, the Board shall pay the Contractor in monthly partial installments, based on the Contractor’s actual time and expense for each portion of the work identified in Exhibit “B-2” to the Contract and the Contract Documents. The total cost for each portion of the work will not exceed the amounts specified in Exhibit “B” without a prior written amendment to the Contract. Absent a written amendment to the Contract authorizing the incurrence of additional costs, fees, and expenses, the Contractor, and not the Board, shall be solely liable and responsible for any additional costs, fees, and expenses in excess of the amounts specified in Exhibit “B-2” to the Contract.

Final payment for each item shall be made only after approval by the Board.

Notwithstanding any provision in this Paragraph 10 “Compensation” to the contrary, any and all payments which may be due the Contractor under the Contract shall also be subject to all applicable provisions of the General Terms and Conditions for Professional Services including, but not limited to, Paragraphs 30 and 32 of the General Terms and Conditions for Professional Services.”

3. Exhibit “A” to the Contract is deleted in its entirety and replaced with Exhibit “A-2” which is attached hereto and made a part hereof.

4. Exhibit “B” to the Contract is deleted in its entirety and replaced with Exhibit “B-2” which is attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Contract this __________ day of _____________________, 2013.

APPROVED:  

[Signature]

Manager and Chief Engineer  

BOARD OF WATER SUPPLY  

COUNTY OF KAUAII

By:  

[Signature]  

Board Chairperson
Manager and Chief Engineer

APPROVED AS TO FORM
AND LEGALITY:

Deputy County Attorney

Its Chairperson

CONTRACTOR:
ARCHITECTS HAWAII LIMITED

By
its

By PRINCIPAL
its

STATE OF HAWAII )
COUNTY OF KAUA'I )

On this 8th day of April, 2013, before me appeared

Randall Nishiura, to me personally known, who being by me duly sworn, and that said officer is the Chairperson of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, and that the foregoing instrument was signed on behalf of said Board with authority of said Board, and that said officer acknowledged the instrument to be the free act and deed of said Board, and that said Board has no corporate seal.

Notary Public, State of Hawaii
Name of Notary: Debra V. Calaycay
My commission expires: 11/16/2015

STATE OF HAWAII )
CITY & COUNTY OF HONOLULU )

On this 27th day of March, 2013, before me appeared Charles Chan to me personally known, who, being by me duly sworn, did say he is the Principal of ARCHITECTS HAWAII LIMITED, a Hawaii corporation; that the seal affixed to the foregoing instrument is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and said officer acknowledged said instrument to be the free act and deed of said corporation.

Notary Public, State of Hawaii
Name of Notary: Aline H. Ishii
My commission expires: 08/02/2013
ARCHITECTS HAWAII LTD.

I, W. Terry McFarland, Secretary of Architects Hawaii Ltd., a Hawaii Corporation, do hereby certify that the following statement is full, true and correct.

The Board of Directors of Architects Hawaii Ltd., 733 Bishop Street, Suite 3100, Honolulu, HI 96813, at a meeting on December 10, 2004, at which a quorum was present and acting throughout, duly adopted the authorization of the following statement to be in full force and effect:

STATEMENT

"The Board authorizes that contracts or any instrument in the name of and on behalf of the Corporation shall be executed by a member of the Corporation listed below. If the other party to any such instrument shall require two signatures on behalf of the Corporation, the Board authorizes any two members listed below to sign such instrument."

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of said Architects Hawaii Ltd. this 21st day of December, 2013.

[Signature]

W. Terry McFarland, Secretary

Mr. Joseph G. F. Farrell
2931 Poni Moi Road
Honolulu, HI 96815

Mr. David A. Miller
2049 Halekoa Drive
Honolulu, HI 96821

Mr. Stanley T. Yasumoto
666 Prospect Street, #304
Honolulu, HI 96813

Mr. Lloyd T. Arakaki
99-1347 Aiea Heights Drive
Aiea, HI 96701

Mr. Charles K.Y. Chan
P. O. Box 1375
Aiea, HI 96701

Ms. Bertrina Mehnert
115 Kuitakama Street
Kailua, HI 96734

Mr. William A. Brizee
4825 Matsonia Drive
Honolulu, HI 96816

Mr. William Terry McFarland
44-119B Kahanini Way
Kaneohe, HI 96744

Mr. David S. Bylund
47-742 Hui Kulu Street, #3
Kaneohe, HI 96744

Mr. Emile C. Alano
2235-B Hoonaanea Street
Honolulu, HI 96822

Ms. Marni T. Murdock
45-093 Namoku Street
Kaneohe, HI 96744

Ms. Lisa Y.T. Rapp
45-260 Pahikaua Street
Kaneohe, HI 96744

Mr. Brian T. Takahashi
960 11th Avenue
Honolulu, HI 96816
EXHIBIT "A-2"

SCOPE OF WORK
LIHUE BASEYARD IMPROVEMENTS
(WATER PLAN 2020 PROJECT NUMBER PLH-39)
LIHUE, KAUAI, HAWAII

The Contractor shall take full charge of designing the Project after completing the master plan and environmental assessment, and shall be responsible for all surveying and verifying available topographic maps, preparing preliminary architectural/engineering reports and completing detailed construction plans, specifications, estimate of quantities and cost, and creating a bid proposal, and shall furnish all personnel, materials, transportation and equipment needed in connection therewith. Specifically, the Contractor shall perform the following work items:

A. ZONING AND SUBDIVISION
   a. Prepare and process zoning amendment from O (Open) to R-1 (Residential) for Parcel N-1.
   b. Prepare and process Use Permit and Class IV Zoning permit as required for DOW administration building.
   c. Facilitate consolidation for Parcel N-1-A and subdivision for Parcels N-1-A, N-1-B, N-1-C and N-1-D.

B. BUILDING
   a. Design a new DOW Administration Building, including Architecture, Engineering and Interior.
   b. Design infrastructure for IT, IP Phone and IVR Systems for new and existing facilities.
   c. Integrate high-efficient Energy Systems into building design where applicable such as Solar Hot Water and PV Panels, Light Occupancy Sensor and etc.
   d. Facilitate and coordinate Furniture Fixtures and Equipment (FF&E) and signage design packages with Owner approved vendors

C. SITE
   a. Design a new at-grade Parking facility for the future staff projections with required access roadways.
   b. Provide walkways to connect the new building and parking to the existing baseyard.
   c. Design an underground Storm Water Retention System to collect surface run off.
   d. Provide low maintenance landscape and irrigation system.

D. UTILITIES
   a. Design an off-site sewer connection to the Grove Farm Sewage System for the new building, all existing buildings and future Public Works Storage building, including working with Grove Farm to process required applications for the DOW sewer connection.
   d. Provide charging stations for electric vehicles within new DOW facility.

E. SURVEY AND SOILS INVESTIGATION
   a. Prepare Survey and Mapping for Subdivision of Lot N-1 into lots A, B, C and D.
   b. Prepare Survey and Mapping for off-site Water and Sewer connections.
   d. Conduct Soils Investigation and Percolation Test

F. WORK PRODUCTS
   a. Design sketches
      i. Schematic Design
      ii. Design Development
   b. Construction Documents
i. Construction Design Drawings.
ii. Project Manual
iii. Engineering Calculations
iv. Cost Estimates
v. Soils and Percolation Test Reports
vi. Sub-division map, survey and easements

C. Allowed Trips to Kauai (AHL Only)
   i. Schematic Design (2)
   ii. Design Development (2) – FF & E and Signage Interview
   iii. Permitting (3) – Permit Routing
   iv. Construction Admin (4) – Pre-construction conference and construction trips

The 11 total trips are transferrable throughout the project duration.

G. The Contractor shall review shop drawings and submittals and shall provide consultation and advice during the permit application and construction stages, on an as-needed basis. These services shall remain available until three (3) years after design documents are completed.

The following work is excluded from the scope of work.
A. Take inventory of existing FF&E and reuse in the new building.
B. Achieve USBGS LEED Certification.
C. Process Energy Star Rating for the new building and existing buildings (usually done at twelve (12) months after occupancy)
D. Any design elements outside the project limit diagram are excluded such as the new DPW Storage Building and its parking, loading, etc. and the existing Baseyard buildings and site as well. Offsite sewer, water and electricity connections are included in the project work scope.
E. Any design elements not listed in the work scope and/or engineering disciplines not listed in the design team are excluded.
F. Design the building for Emergency Operation Center or Hardened Structure.

\* The complete 2nd amendment proposal from Architects Hawaii Limited dated February 6, 2012 is attached and made part of the contract to supplement exhibit A.

EXHIBIT A
### Task Description

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Fee Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Planning (original contract)</td>
<td></td>
</tr>
<tr>
<td>Prepare master plan</td>
<td>$205,639.00</td>
</tr>
<tr>
<td>Prepare and process the environmental assessment</td>
<td>$74,080.00</td>
</tr>
<tr>
<td>2. Facility Design (1st contract amendment)</td>
<td></td>
</tr>
<tr>
<td>Building core &amp; shell, site, utility and parking</td>
<td>$547,644.00</td>
</tr>
<tr>
<td>Interior</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment (FF&amp;E)</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Signage</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Soils analysis (excluding DPW Storage building)</td>
<td>$18,400.00</td>
</tr>
<tr>
<td>Lot N-1 subdivision survey and process</td>
<td>$5,200.00</td>
</tr>
<tr>
<td>Utility connections survey (water &amp; off-site sewer)</td>
<td>$8,169.00</td>
</tr>
<tr>
<td>Roadway and utility easements survey</td>
<td>$7,000</td>
</tr>
<tr>
<td>2. Additional Services (2nd contract amendment)</td>
<td></td>
</tr>
<tr>
<td>Zoning, use permit, Class IV zoning permit, consolidation and subdivision of parcels, additional land survey, and Nene bird report</td>
<td>$29,325.00</td>
</tr>
<tr>
<td>2. Additional Services (3rd contract amendment)</td>
<td></td>
</tr>
<tr>
<td>FM-200 system for IT Server room, design and special inspection</td>
<td>$7,292.00</td>
</tr>
<tr>
<td><strong>Lump Sum Contract Total</strong></td>
<td>$914,749.00</td>
</tr>
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# BOARD OF WATER SUPPLY

**TENTATIVE BOARD MEETING DATES FOR 2015**
(Usually the 4th Thursday of the month but subject to change)

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<thead>
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<td>Thursday, January 22</td>
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<tr>
<td>2.</td>
<td>February</td>
<td>Thursday, February 19</td>
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<td>3.</td>
<td>March</td>
<td>Thursday, March 19</td>
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<td>4.</td>
<td>April</td>
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<td>5.</td>
<td>May</td>
<td>Thursday, May 21</td>
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<td>6.</td>
<td>June</td>
<td>Thursday, June 18</td>
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<td>7.</td>
<td>July</td>
<td>Thursday, July 23</td>
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<td>8.</td>
<td>August</td>
<td>Thursday, August 20</td>
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<td>9.</td>
<td>September</td>
<td>Thursday, September 17</td>
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<tr>
<td>10.</td>
<td>October</td>
<td>Thursday, October 22</td>
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<tr>
<td>11.</td>
<td>November</td>
<td>Thursday, November 19</td>
</tr>
<tr>
<td>12.</td>
<td>December</td>
<td>Thursday, December 17</td>
</tr>
</tbody>
</table>
Staff Reports
Fiscal Division Monthly Report:

September Monthly Budget Summary Highlights:

- Water Sales Revenue is up by 8%
- Total Revenue is down 8%. This is due to other revenues such as Federal, State Grants, BAB Subsidy that don’t come in regularly or monthly. Revenue from Public Fire Protection is also a one-time year end entry.
- Total Operating Expenses – 14% or $1,286,794 higher than budgeted YTD. This is due to the debt service which budget is spread out monthly while a large payment of DOW debts were made in early August. In addition, depreciation & amortization expenses of $1,853,025 also contributed to this variance in Operating Expenses.
- YTD Capital expenses is at $230,966, way below our capital budget of $11.7M YTD.

Water Consumption - 3 Years Comparative Chart:

Three (3) years water consumption comparative chart shows a drop in water usage for this this fiscal year as of 9/30/2014. This drop is attributed to the department’s proactive conservation initiatives. In addition, the department issued water conservation notices that also impacted overall water consumption. Below is detailed information provided by our Public Relations Officer, Kim Tamaoka regarding events that have impacted water consumption.

- Kalaheo Conservation Request from May 25, 2014 to July 11, 2014 (47 days)
- Lihue-Hanamaulu Do Not Drink Water/Boil Water Advisory from July 30, 2014 to August 1, 2014 (3 days)
- Hurricane Iselle and Tropical Storm Julia Conservation Request from August 7, 2014 to August 10, 2014 (4 days)
- Water Conservation Request for Hanalei from September 21, 2014 to September 23, 2014 (3 days)
- Water Conservation Request for Kilauea & Kalihiwai on September 27, 2014 (1 day)
- Other Conservation Efforts:
  - Project WET water education program:
  - DOW NR 6-20-14 (DOW offers water education workshops for teachers)
  - DOW NR 9-19-14 (Over 750 students participate in Make a Splash festival)
- Conservation advertisements since July 1st:
  - Kauai Family Magazine Summer 2014 Ad and Editorial on outdoor water conservation.
  - Kauai Family Magazine Fall 2014 Ad and Editorial on water conservation education with Project WET Make a Splash festival.
  - Water Conservation frequent TV and Radio Advertisements from May 2014 to November 2014 (6 months)

Other Fiscal Ongoing Activities/Initiatives:
   - New chart of accounts.
   - Purchase Requisition and Purchase Order processing were re-implemented.
   - Revised the process of labor distribution entries through the utilization of payroll reports to create journal entries
   - Updated SOP 11 for fixed charges
   - Transition to pooled cash accounting – led to creating a bank concentration account with sub accounts for receipts and disbursements. This process helped streamline the AP checks processing.
   - Development of Balance Sheet & Encumbrance report through IT staff.
   - Monthly closing of financials

2. Yearend financial closing – KMH Auditors field work from September 2 – 26, 2014 completed.

3. New agreement with HBWS – in process; DOW will be presenting alternative options to the board.

4. Implementation of New Leak adjustment rule as revised. New SOP was created.

5. Revised and updated SOP 11c to SOP 11d – Fixed Charges for New Water Services

6. 2 personnel vacancies – Accountant I interview completed; CSR I interview completed.

7. Schedule auction sale before the year ends.

8. Drafted: Billing Operating Procedures (see attached)
### Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sales</td>
<td>$2,424,970.92</td>
<td>$2,424,970.92</td>
<td>$2,680,705.32</td>
<td>$255,734.40</td>
<td>8%</td>
</tr>
<tr>
<td>Revenue from Public Fire Protection</td>
<td>165,803.50</td>
<td>165,803.50</td>
<td>(165,803.50)</td>
<td>(497,410.50)</td>
<td>(3023%)</td>
</tr>
<tr>
<td>Other Water Revenue</td>
<td>5,416.77</td>
<td>5,416.77</td>
<td>5,901.08</td>
<td>448.41</td>
<td>8%</td>
</tr>
<tr>
<td>FRC-Facility Reserve Charge</td>
<td>83,333.33</td>
<td>83,333.33</td>
<td>27,600.00</td>
<td>(55,733.33)</td>
<td>(52%)</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>191,694.35</td>
<td>250,092.26</td>
<td>(250,092.26)</td>
<td>575,083.05</td>
<td>(100%)</td>
</tr>
<tr>
<td>State Grants</td>
<td>127,500.00</td>
<td>127,500.00</td>
<td>(127,500.00)</td>
<td>382,500.00</td>
<td>(100%)</td>
</tr>
<tr>
<td>Capital Contributions</td>
<td>64,231.25</td>
<td>249,999.99</td>
<td>497,410.50</td>
<td>497,410.50</td>
<td>(100%)</td>
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<tr>
<td>Net Increase in Fair Value of Investments</td>
<td>16,666.67</td>
<td>16,666.67</td>
<td>2,592.64</td>
<td>(14,074.03)</td>
<td>(85%)</td>
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<tr>
<td>Gain or Loss on Disposal of Capital Assets</td>
<td>416.67</td>
<td>416.67</td>
<td>1,250.01</td>
<td>(1,250.01)</td>
<td>(100%)</td>
</tr>
<tr>
<td>Miscellaneous Revenues</td>
<td>1,000.00</td>
<td>1,000.00</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>3,080,033.36</td>
<td>3,074,200.02</td>
<td>2,716,799.04</td>
<td>(357,400.98)</td>
<td>(8%)</td>
</tr>
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</table>

### Employee-Related Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>425,245.20</td>
<td>425,245.20</td>
<td>280,525.97</td>
<td>144,719.23</td>
<td>36%</td>
</tr>
<tr>
<td>Temporary Assignment</td>
<td>3,026.00</td>
<td>3,026.00</td>
<td>9,928.47</td>
<td>(6,902.47)</td>
<td>(82%)</td>
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<tr>
<td>Overtime</td>
<td>45,166.67</td>
<td>45,166.67</td>
<td>74,633.97</td>
<td>39,467.30</td>
<td>(87%)</td>
</tr>
<tr>
<td>Standby</td>
<td>24,877.99</td>
<td>24,877.99</td>
<td>10,964.76</td>
<td>13,913.23</td>
<td>(52%)</td>
</tr>
<tr>
<td>Compensated Annual &amp; Sick Leave</td>
<td>83,333.33</td>
<td>83,333.33</td>
<td>16,723.12</td>
<td>66,610.21</td>
<td>(80%)</td>
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<tr>
<td>FICA</td>
<td>38,758.66</td>
<td>38,758.66</td>
<td>9,771.52</td>
<td>28,987.14</td>
<td>(74%)</td>
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<tr>
<td>Retirement Contribution</td>
<td>78,500.00</td>
<td>78,500.00</td>
<td>13,047.14</td>
<td>65,452.86</td>
<td>(85%)</td>
</tr>
<tr>
<td>Life &amp; Health Insurance</td>
<td>43,172.86</td>
<td>43,172.86</td>
<td>129,518.51</td>
<td>86,345.65</td>
<td>(196%)</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>1,250.00</td>
<td>1,250.00</td>
<td>3,750.00</td>
<td>2,500.00</td>
<td>(76%)</td>
</tr>
<tr>
<td><strong>Total Employee-Related Expenses</strong></td>
<td>742,028.01</td>
<td>742,028.01</td>
<td>614,092.09</td>
<td>127,935.92</td>
<td>(16%)</td>
</tr>
</tbody>
</table>

### Contracts & Services

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services-General</td>
<td>128,875.07</td>
<td>128,875.07</td>
<td>79,625.00</td>
<td>49,250.07</td>
<td>60%</td>
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<tr>
<td>Professional Services-Accounting &amp; Auditing</td>
<td>8,750.00</td>
<td>8,750.00</td>
<td>10,000.00</td>
<td>1,250.00</td>
<td>12%</td>
</tr>
<tr>
<td>Other Services-General</td>
<td>13,669.17</td>
<td>13,669.17</td>
<td>2,757.58</td>
<td>10,911.59</td>
<td>(80%)</td>
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<tr>
<td>Other Services-Billing Costs</td>
<td>41,280.00</td>
<td>41,280.00</td>
<td>26,454.39</td>
<td>14,825.61</td>
<td>(36%)</td>
</tr>
<tr>
<td>Public Relations-General</td>
<td>26,541.67</td>
<td>26,541.67</td>
<td>7,094.28</td>
<td>19,447.43</td>
<td>(73%)</td>
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<tr>
<td>Public Relations-Procurement Advertising</td>
<td>833.33</td>
<td>833.33</td>
<td>2,499.99</td>
<td>2,499.99</td>
<td>100%</td>
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<tr>
<td>Communication Services</td>
<td>10,505.00</td>
<td>10,505.00</td>
<td>8,806.59</td>
<td>1,698.41</td>
<td>(16%)</td>
</tr>
<tr>
<td>Freight and Postage</td>
<td>2,041.66</td>
<td>2,041.66</td>
<td>771.36</td>
<td>1,270.30</td>
<td>(40%)</td>
</tr>
<tr>
<td>Rentals and Leases</td>
<td>14,916.66</td>
<td>14,916.66</td>
<td>8,612.48</td>
<td>6,304.18</td>
<td>(42%)</td>
</tr>
<tr>
<td>Insurance</td>
<td>30,000.00</td>
<td>30,000.00</td>
<td>4,525.08</td>
<td>25,474.92</td>
<td>(85%)</td>
</tr>
<tr>
<td>County Service Charge</td>
<td>165,803.50</td>
<td>165,803.50</td>
<td>165,803.50</td>
<td>497,410.50</td>
<td>(100%)</td>
</tr>
<tr>
<td>Repairs and Maintenance-Water System</td>
<td>24,166.67</td>
<td>24,166.67</td>
<td>(122,993.14)</td>
<td>147,159.81</td>
<td>(16%)</td>
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<tr>
<td>Repairs and Maint-Non Water System</td>
<td>45,768.34</td>
<td>45,768.34</td>
<td>16,240.33</td>
<td>29,528.01</td>
<td>(63%)</td>
</tr>
<tr>
<td><strong>Total Contracts &amp; Services</strong></td>
<td>513,151.07</td>
<td>513,151.07</td>
<td>41,893.95</td>
<td>471,257.12</td>
<td>(93%)</td>
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</tbody>
</table>
### Exceptional Expenses

<table>
<thead>
<tr>
<th>FY2014 &amp; FY2015 Kalaheo Emergency</th>
<th>Original</th>
<th>Revised</th>
<th>Actual</th>
<th>Variance</th>
<th>Original</th>
<th>Revised</th>
<th>Actual</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015 Kilauea</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Exceptional Expenses</td>
<td>155,632.85</td>
<td>(155,632.85)</td>
<td></td>
<td>499,215.00</td>
<td>499,215.00</td>
<td>188,276.58</td>
<td>340,938.42</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>238,055.87</td>
<td>(238,055.87)</td>
<td></td>
<td>499,215.00</td>
<td>499,215.00</td>
<td>240,699.60</td>
<td>258,155.40</td>
<td>52%</td>
<td></td>
</tr>
</tbody>
</table>

### Fuel & Utilities

| Utility Services                  | 308,666.67 | 308,666.67 | 295,735.68 | 12,930.99 | 926,000.01 | 926,000.01 | 892,856.35 | 33,144.66 | 4%         |
| Fuel                              | 17,379.17  | 17,379.17  | 4,110.90   | 13,268.27 | 52,137.51  | 52,137.51  | 34,741.49  | 17,396.02 | 33%        |
| Total Fuel & Utilities            | 326,045.84 | 326,045.84 | 299,846.58 | 26,199.26 | 978,137.52 | 978,137.52 | 927,596.84 | 49,540.68 | 5%         |

### Bulk Water Purchase

| Bulk Water Purchase               | 172,860.50 | 172,860.50 | 139,419.72 | 33,440.78 | 518,581.50 | 518,581.50 | 412,396.26 | 106,185.24 | 20%        |
|                                  | 172,860.50 | 172,860.50 | 139,419.72 | 33,440.78 | 518,581.50 | 518,581.50 | 412,396.26 | 106,185.24 | 20%        |

### Office & Operating Supplies

| Office Supplies                   | 3,833.33   | 3,833.33   | 2,062.73   | 1,770.60  | 11,499.99  | 11,499.99  | 8,216.39  | 33%        |
| Operating Supplies                | 93,454.25  | 93,454.25  | 115,022.29 | (21,568.04) | 343,782.75 | 343,782.75 | 183,155.98 | 160,626.77 | 47%        |
| Books, Subscriptions and Dues     | 3,032.08   | 3,032.08   | 122.45     | 2,909.63  | 9,096.24   | 9,096.24   | 564.82    | 94%        |
| Books, Subscriptions and Dues - Board | 100.00   | 100.00     | 100.00     | 100.00    | 100.00     | 100.00     | 100.00    | 100%       |
| Total Office & Operating Supplies | 100,419.66 | 100,419.66 | 117,207.47 | (16,787.81) | 364,678.98 | 364,678.98 | 187,004.40 | 177,674.58 | 49%        |

### Training, Travel & Meeting Expenses

| Training and Development         | 8,894.68   | 8,894.68   | 3,341.56   | 5,532.12  | 26,684.04  | 26,684.04  | 13,956.11 | 48%        |
| Travel and Per Diem              | 4,628.33   | 4,628.33   | 805.28     | 3,823.05  | 13,884.99  | 13,884.99  | 1,826.37  | 90%        |
| Travel and Per Diem - Board      | 1,724.17   | 1,724.17   | 170.30     | 1,553.87  | 5,172.51   | 5,172.51   | 170.30    | 97%        |
| Meeting Expense                  | 3,983.34   | 3,983.34   | 3,983.34   | 11,950.02 | 11,950.02  | 22,124.69  | (10,174.67) | (85%) |
| Meeting Expense - Board          | 1,750.00   | 1,750.00   | 35.06      | 1,714.94  | 5,250.00   | 5,250.00   | 1,193.11  | 77%        |
| Total Training, Travel & Meeting Expenses | 20,980.52 | 20,980.52 | 4,352.20 | 16,628.32 | 62,941.56 | 62,941.56 | 38,816.04 | 24,125.52 | 38% |

### Depreciation & Amortization

| Depreciation                      | 586,226.36 | (586,226.36) |         |         | 1,672,292.70 | (1,672,292.70) | 0%       |
| Amortization                      | 76,788.78  | (76,788.78)  |         |         | 180,732.67   | (180,732.67)   | 0%       |
| Total Depreciation & Amortization | 663,015.14 | (663,015.14) |         |         | 1,853,025.37 | (1,853,025.37) | 0%       |

### Debt Service

| Interest Expense                 | 339,606.67 | 339,606.67 | 331,212.85 | 8,393.82  | 1,038,761.01 | 1,038,761.01 | 993,638.55 | 45,122.46 | 4%         |
| Debt Principal Payment           | 367,254.08 | 367,254.08 | 323,389.83 | 37,864.25 | 1,159,449.24 | 1,159,449.24 | 3,470,145.87 | (2,310,696.63) | (199%) |
| Total Debt Service               | 706,860.75 | 706,860.75 | 666,602.68 | 46,256.07 | 2,198,210.25 | 2,198,210.25 | 4,463,844.42 | (2,265,574.17) | (103%) |

### Transfers Out (In)

| Transfers Out (In)               |         |         |         |         |         |         |         |          |           |
| Total Transfers Out (In)         |         |         |         |         |         |         |         |          | 0%        |

### Total Operating Expenses

| Total Operating Expenses         | 2,582,346.35 | 2,582,346.35 | 2,778,485.70 | (196,139.35) | 9,095,041.05 | 9,095,041.05 | 10,381,835.02 | (1,286,793.97) | (14%) |

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**Department of Water, County of Kauai**

**Monthly Budget Summary vs. Actual**

**SUMMARY**

9/30/2014

---

Report Format Created by: S. Nadatani

10/21/2014 11:02 AM
<table>
<thead>
<tr>
<th></th>
<th>September</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Revised</td>
</tr>
<tr>
<td><strong>Net Operating Income (Loss)</strong></td>
<td>$497,687.01</td>
<td>$491,853.67</td>
</tr>
<tr>
<td>Non Operating Proceeds</td>
<td>166,666.67</td>
<td>166,666.67</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>2,885,839.32</td>
<td>2,870,839.32</td>
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<tr>
<td><strong>Net Proceeds (Expenditures)</strong></td>
<td>(2,221,485.64)</td>
<td>(2,212,318.98)</td>
</tr>
</tbody>
</table>

Department of Water, County of Kauai
Monthly Budget Summary vs. Actual
SUMMARY
9/30/2014
WATER UTILITY FUND
Other Expenses - Capital Expenditures $54,767.79
Other Expenses - Normal Expenditures 2,774,634.98
TOTAL WATER UTILITY FUND 2,829,402.77

FRC FUND

BOND FUND
TOTAL BOND FUND 5,967.45

SRF FUND
TOTAL SRF FUND
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refund - Revenues from Water Sales</td>
<td>(3,850.72)</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>614,092.09</td>
</tr>
<tr>
<td>Professional Services - General</td>
<td>79,625.00</td>
</tr>
<tr>
<td>Professional Services - Accounting and Auditing</td>
<td>10,000.00</td>
</tr>
<tr>
<td>Other Services - General</td>
<td>2,757.58</td>
</tr>
<tr>
<td>Other Services - Billing Costs</td>
<td>26,454.39</td>
</tr>
<tr>
<td>Public Relations - General</td>
<td>7,094.28</td>
</tr>
<tr>
<td>Communication Services - Office</td>
<td>5,697.60</td>
</tr>
<tr>
<td>Communication Services - Operations</td>
<td>3,108.99</td>
</tr>
<tr>
<td>Freight and Postage Services</td>
<td>771.36</td>
</tr>
<tr>
<td>Rentals and Leases</td>
<td>8,612.48</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,525.08</td>
</tr>
<tr>
<td>Utility Services - Office</td>
<td>281,741.61</td>
</tr>
<tr>
<td>Utility Services - Operations</td>
<td>13,994.07</td>
</tr>
<tr>
<td>Repairs and Maintenance - Water System</td>
<td>(122,993.14)</td>
</tr>
<tr>
<td>Repairs and Maintenance - Other Than Water System</td>
<td>16,240.33</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2,062.73</td>
</tr>
<tr>
<td>Operating Supplies</td>
<td>115,022.29</td>
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<tr>
<td>Exceptional Expenses</td>
<td>238,055.87</td>
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<tr>
<td>Fuel</td>
<td>4,110.90</td>
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<tr>
<td>Bulk Water Purchase</td>
<td>139,419.72</td>
</tr>
<tr>
<td>Books, Publications, Subscriptions, and Membership</td>
<td>122.45</td>
</tr>
<tr>
<td>Training and Development</td>
<td>3,341.56</td>
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<tr>
<td>Travel and Per Diem</td>
<td>805.28</td>
</tr>
<tr>
<td>Travel and Per Diem - Board</td>
<td>170.30</td>
</tr>
<tr>
<td>Meeting Expense - Board</td>
<td>35.06</td>
</tr>
<tr>
<td>Depreciation</td>
<td>586,226.36</td>
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<tr>
<td>Amortization</td>
<td>76,788.78</td>
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<tr>
<td>Interest Expense</td>
<td>331,212.85</td>
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<tr>
<td>Debt Principal Repayment</td>
<td>329,389.83</td>
</tr>
<tr>
<td><strong>TOTAL NORMAL EXPENDITURES</strong></td>
<td><strong>2,774,634.98</strong></td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>CAPITAL EXPENDITURES - REPLACEMENT</td>
<td>104,672.29</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>104,672.29</strong></td>
</tr>
<tr>
<td><strong>CAPITAL PROJECTS - REHAB &amp; REPLACE - DESIGN</strong></td>
<td></td>
</tr>
<tr>
<td>WU-Eng-ALLR-11-10 8IN Halewili, Hwy 50 to Haka Hale</td>
<td>2,622.70</td>
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<tr>
<td>WU-Cns-ALLR-02-19 Waipouli Main Replacement</td>
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<td><strong>BOND CAPITAL PROJECTS - EXPANSION - DESIGN</strong></td>
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<td><strong>SRF CAPITAL PROJECTS - REHAB &amp; REPLACE - CONSTRUCTION</strong></td>
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<tr>
<td><strong>TOTAL CAPITAL EXPENDITURES</strong></td>
<td><strong>63,357.94</strong></td>
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</table>
3 YEARS CONSUMPTION COMPARATIVE CHART
For FY 2013, 2014 & 2015
I. WATER SERVICE APPLICATION:

A. INITIATION:
   1. Customer fills out application for Water Service and submits photocopy of Identification Card (IDs), i.e. driver license, State ID; etc.
   2. Application for Water Service is received in Billing and reviewed by CSR.
   3. Tenant applicants for water service pay a fixed amount for water deposit.

B. PROCESSING:
   1. Process application. Deposit fee is collected for tenant applicants only.
   2. CSR creates new account or update information as necessary in CC&B.
   3. If deposit is applicable, CSR processes payment in CC&B.
   4. CSR creates a field activity for Meter Readers/Field Collection Clerks to turn on and read meter.
   5. Meter Reader/Field Collection Clerk completes the field activity (F/A); completes the F/A in CC&B and account is activated.

II. BILL PROCESSING:

A. INITIATION:
   1. Meter Reading Routes is prepared for the month through CC&B

B. PROCESSING:
   1. Meter Readers/Field Collection Clerks read routes according to schedule daily.
   2. Meter Readers/Field Collection Clerks upload meter reading in Connect 3 software program at the end of the day.
   3. Meter Reading is batched and processed in CC&B.
   4. Bill is generated.
   5. Bills are printed and mailed out to the customers by an outsourced Provider.

III. PAYMENTS - COLLECTION PROCESS:

A. INITIATION: Customer pays DOW bill.
   1. Electronic Bill Pay. Customers set up DOW payment through an outside service provider.
   2. Auto Bill Pay. Customer signs up for bill pay should submit ABP authorization form with voided check for checking account only to DOW – Fiscal – billing section. CSR sets up the customer in CC&B for ABP. Payment is electronically deducted from the Customer’s bank account up to the maximum amount authorized.
   3. Mail. Customers send check payment through the mail.
4. **DOW drop box.** Customers drop payment in the DOW drop box.

5. **Walk in customer.** Customers personally deliver payment to the DOW billing office.

**B. AUTHORIZATION:**

1. Dow Fiscal – Billing Section is authorized to collect cash or checks from Customers for any DOW authorized bills of DOW fees and costs. This includes the following positions:

2. CSR I, CSRII, CS Relations are primarily responsible in processing cash or check collections and posting these payments in CC&B.

3. Meter Readers/ Field Collection Clerks are authorized to receive cash or checks for delinquent accounts scheduled for meter shut off only. Meter Readers/ Field Collection Clerks must issue a receipt to the customer for any collection received in the field and any collection must be remitted to the office for posting by a CSR in CC&B.

4. Billing Accountant II and Accountant IV are authorized support staff of the CSRs to receive payments whenever necessary.

**C. PROCESSING:** DOW receives payment.

1. **Electronic Bill Pay.** Payment is deposited directly to DOW authorized bank account.

2. **Auto Bill Pay.** Payment is deposited directly to DOW authorized bank account.

3. **Mail.** Customers send check payment through the mail. Mails are picked up two times (2X) daily at the post office.

4. **DOW drop box.** Customers drop payment in the DOW drop box and an authorized billing staff checks the DOW drop box daily. This drop box is available 24 hours; it is locked and only authorized billing staff can open the drop box.

5. **Walk in customers.** Customers personally deliver payment to the DOW billing office.

**D. POSTING: Payments are posted to CC&B.**

1. **Electronic Bill Pay.** Payments are posted to CC&B directly and the money is deposited directly to DOW authorized bank account. A daily cash payments report is generated from CC&B that shows total EFT by each service provider.

2. **Auto Bill Pay.** Payments are also posted electronically in CC&B. A daily cash payments report is generated that shows total ABP.

3. **Mail.** CSR’s and billing support staff open the mails, verify the checks against the bill stubs, batch the stacks of checks and stubs, add total check amount and reconciles with the total amount of the payment stubs. Scan or manually enter payments in CC&B.

4. **DOW drop box.** Some customers physically drop their payments in the designated DOW drop box. This is available 24 hours; it is locked and only authorized billing staff can open the drop box. This box is opened every morning and payments are posted on the same day it is picked up from the drop box. Payments are processed similar to processing payments of walk in customers.

5. **Walk in customers.** There are 3 designated CSR lobby assigned to receive and process payments on a first come first served basis. Payment is posted immediately upon receipt and a payment receipt is generated for the customer.

**IV. DAILY CASH HANDLING:**

Each CSR is assigned their own drawer. Every day, each CSR starts with a $200.00 petty cash and must end the day with $200.00 petty cash.

**PROCEDURE:**

1. **Cashier of the day - open deposit control in CC&B.**

2. **Each CSR verify their own change fund**

3. **Each CSR – open their own tender control (CSR Lobby) in CC&B to be able to post payment in CC&B.**
4. Process payments received from:
   - Walk in customers, first come first served basis
   - DOW drop box – opened every morning when DOW doors are opened to the public
   - Mail – picked up 2x from the Post Office and noon delivery by postal service.

5. Post payments in CC&B.
6. Print receipts for walk in customers – 1 for customer and 1 for cashier if no bill stub accompanied the payment.
7. Print total receipts at the end of day
8. Balance tenders
   - Count cash, balance cash report
   - Add checks, balance check report

9. Each CSR prepares a deposit slip for the total daily receipts.
10. The CSR in charge of the day consolidates each CSR’s deposit, verifies tape against total daily receipts per tender, bag and log deposits and put in the safe for service pick up by an authorized provider the following day.

V. REVIEW & RECONCILE: Performed by Accountant II

2. Print previous day’s report generated from CC&B.
   1. Payments Balance Report
   2. Payments Summary GL
   3. Payments Cancellation Report
3. Reconcile the three (3) reports; identify and research variances if any;
   1. NSF checks
   2. Data entry errors
   3. Electronic funds transfer (EFT) incorrect posting
4. Prepare a cash reconciliation worksheet.
   1. Match daily payments report with daily bank activity report.
   2. Identify variances; these could be bank debits or bank credits.
   3. Research the nature of these bank debits and/or credits.
   4. Provide bank debit and/or credit memo to CSR for posting in CC&B.
5. Keep track and monitor NSF posting to CC&B daily and reconcile monthly. Review accounts to ensure NSF charges are posted to the customer’s account accordingly.
6. Prepare Journal Entry for review by Accountant IV.

VI. REVIEW AND POST TO GL:

1. Accountant IV posts daily journal entry to General Ledger in Microsoft Dynamics Great Plains.
DEPARTMENT OF WATER
County of Kaua‘i
“Water has no Substitute – Conserve it!”

PR SPECIALIST REPORT
October 23, 2014

Press Releases

- **September 19, 2014 (DOW’s Make a Splash festival gathers over 750 students)** – The Department announced via press release that over 750 fifth-grade students attended the 11th Annual Make a Splash with Project WET festival on Thursday, September 18, at the Pua Loke Arboretum. The Department thanked the many schools, volunteers and sponsors of the event.
  - Article published on 9-19-14 “Good day to get wet,” by The Garden Island
  - DOW mentioned in an article published on 9-19-14 “Winds and losses,” by The Garden Island

- **September 21, 2014 (Water conservation request issued for Hanalei area)** – The Department issued a water conservation request via press release, Facebook and Connect CTY, for the entire Hanalei area until further notice. Princeville Utilities Company, Inc. provided residents with water while DOW crews worked on repairing a transmission line leak.
  - Web article published on 9-21-14 “Kauai Department of Water urges Hanalei customers to conserve water,” by KHON2 Web Staff

- **September 22, 2014 (Hanalei repairs completed; water conservation request continues)** – The Department announced via press release, Facebook and Connect CTY, that the Hanalei water system should be restored by the night if all repair work proceeded as planned. Water buffalos for essential uses were provided on Ohiki Road and Kuhio Highway near Waioli Park.

- **September 23, 2014 (Water conservation request lifted for Hanalei)** – The Department announced via press release, Facebook and Connect CTY, that the water conservation request for the Hanalei area was lifted as of 6 a.m., Tuesday. The Hanalei water system was restored to full operation.

- **September 27, 2014 (Water conservation request issued for Kilauea area due to power outage)** – The Department issued a water conservation request via press release, Facebook, and local radio stations, for the entire Kilauea area until further notice due to a power outage.

- **September 27, 2014 (Water conservation request continues for Kalihiwai area only)** – The Department announced via press release, Facebook and Connect CTY, that the water conservation request issued earlier for Kilauea was now limited to the Kalihiwai area only, as power had been restored to the Department’s Kilauea well site. The Department’s Kalihiwai booster pump station was still without electricity and could not produce water to area residents until repairs were completed. The Department announced that KIUC personnel...
were working on repairs to a downed power line in the area. According to KIUC officials, repairs were expected to be completed by about 1 p.m.

- **September 27, 2014 (Water conservation request for Kalihiwai cancelled – 1:30 p.m.)** – The Department announced via press release, Facebook and Connect CTY, that the water conservation request for the Kaliihiwai area had been cancelled. KIUC had restored electricity in the area, and the Department’s facilities were fully operational.

**Other Published Articles**
- “Group seeks water resolution,” by Chris D’Angelo, The Garden Island

**Project WET for Source Water Protection Education Grant**
PR continued to work on the Project WET for Source Water Protection Education grant contract and submitted the Department’s Quarter 4 report to the Department of Health. Kim Tamaoka met with Hawaii Rural Water Association’s Mahana Gomes and Tui Anderson about possibly working together to promote education efforts on source water protection.

**Kauai’s Make-a-Splash with Project WET Water Festival**
The 11th Annual Make a Splash with Project WET water festival was another success. With over 750 fifth-grade students that attended the event, this year became the largest-attended MAS event to date. Each class rotated to four different water activities that covered a multitude of water subjects from ground water, the water cycle, demand of water resources, healthy habits and more. An impressive 166 volunteers gave their time, labor, expertise and knowledge to make this a smooth and successful event. The volunteers and sponsors were comprised of: East Kauai & West Kauai Soil and Water Conservation Districts; Kukuiula Development Company; American Resort Development Association (ARDA); State Department of Education; State Department of Health – Safe Drinking Water Branch; Department of Land and Natural Resources – Forestry and Wildlife Division; UH College of Tropical Agriculture and Human Resources (UH-CTAHR) Kauai Agricultural Research Center; American Association of University for Women; Ron’s Electric; H20 Pono; Kauai County Farm Bureau; County of Kauai Fire Department, Police Department and Office of the Mayor; Kauai Board of Water Supply and DOW staff. A heart-felt thank you goes out to PR’s summer intern Bryanna Pacleb for playing an instrumental role in this year’s festival planning. Mayor Bernard Carvalho, Jr. also attended and filmed his “Together We Can” show at this year’s festival. His show can be viewed on Hooke Community Television.

**Conservation**
The summer media campaign with the Honolulu Board of Water Supply continued. The campaign includes five to six months of cable TV commercials and radio advertisements centered on the message of water conservation. DOW’s radio ads continued to run on KONG radio.

**Miscellaneous:**
- Continued planning for the HWWA 2014 Conference Golf Tournament and assisted conference chair Sandi Nadatani-Mendez with other conference duties.
- Completed the September “As the Water Flows” employee newsletter.
• Attended the Kauai County Council’s Economic Development (Sustainability/Agriculture/ Food/Energy) & Intergovernmental Relations Committee’s informational workshop relating to water, on October 9, 2014.

Respectfully submitted,

Kim Tamaoka
Public Relations Specialist

KT:ein

Attachments: “Good day to get wet,” by The Garden Island
“Winds and losses,” by The Garden Island
“Kauai Department of Water urges Hanalei customers to conserve water,” by KHON2 Web Staff
Group seeks water resolution,” by Chris D’Angelo, The Garden Island.

Keawe Kanahele, a 5th grade student from Ke Kula Niihau o Kekaha, counts out how many drops of water can fit on the head of a penny before overflowing, Thursday morning during the Department of Water Project WET Make A Splash event at the Pua Loke arboretum.

LIHUE – Dropping pennies in glasses of water, running with buckets full of water, smashing clay pots and trying to repair them.

All were activities designed to teach elementary-age Kauai children the value of protecting natural resources at the “Make a Splash with Project WET (Water Education for Teachers),” water festival on Thursday.

More than 700 students were exposed to the activities and a whole battery of learning in the annual event at Pua Loke arboretum.

“They learn how fragile their environment is,” said Eleele Elementary School teacher Laurelle Catbagan. “It helps them appreciate where the water comes from.”

Jennelyn Basilio from Eleele Elementary School recognized the value of water.

“The games teach us how much water we can use and save,” she said.

The bucket of water races between teams from island schools took the students back in time when water wasn’t easily accessed.

“We learned how it felt when people were having to find and carry water for themselves,” Lina Corpuz said.

Her appreciation of today’s water supply grew stronger.

“People shouldn’t be wasting water,” she said.

Hazel Serapio from Eleele saw the value of water in a new light, too.

“We should save water,” Serapio said.

The dynamic hands-on games included the decorating, smashing and repairing attempts by the students of tiny ceramic tops, symbolizing the permanence of environmental damage.

“Once it’s damaged, it’s difficult or impossible to put it back to what it originally was after a tsunami, hurricane or oil spill.” Catbagan said.
Mikayla Holzman, a Koloa Elementary School fifth grader, works to beat out her opponent in emptying a bucket of water with minimal splashing Thursday in the exercise where students became a water pipeline during the Project WET Make A Splash hosted by the Department of Water.

LIHUE – Palani Bukoski is an electrician for the Department of Water and is certain it’s unseasonably hot on Kauai for this time of year.

“I stay in the shade,” Bukoski said.

Shania Zablan agreed.

“It’s been really hot,” Zablan said.

The Kapaa High School junior appreciates her air conditioned classes. But it’s a whole different story when she returns home.

“We have air conditioning, but we don’t use it. It’s too expensive,” Zablan said. “I sit in front of a fan and get a lot of breeze. And I drink ice water cause it keeps me cooled down longer than usual.”

Robert Ballard, science and operations officer with the National Weather Service in Honolulu, said it’s not necessarily the temperature that’s been causing discomfort so far during the first part of September.

The normal maximum and minimum temperatures for September are 87 and 74 and this month, the averages are 86.4 and 73, Ballard said. But it’s the lack of trade winds and the dew point or moisture in the air that he blames for the sweat-inducing weather.

“There is a little more humidity in the air than we’re used to,” he said. “When you get into the low 70s at sea level for dew point, the air can get thick and uncomfortable.”

The highest heat index Thursday was 93, due to the 71 dew factor and temperature of 87.

“That means it feels more uncomfortable than an 87 degree reading,” Ballard said.

That dew point measurement, combined with lower than normal wind speeds of 7 or 8 miles an hour — less than the average windspeed of 13 miles per hour — have created the sticky situation.

“September is typically one of the more uncomfortable months in Hawaii, weather wise,” Ballard said.

Gordon Karau of Koloa has what he considers the ideal solution for the September weather conditions.

“I go to the ocean three times a day; morning, noon and night,” Karau said with a laugh and the wipe of his
Faith Campbell, spokeswoman for Wilcox Medical Center, said the best ways to protect yourself from heat stroke is to stay hydrated, wear proper clothing including headwear and be aware of your time in the sun, taking frequent breaks out of the direct sunlight.

“You should also monitor your sweat and remember to drink extra fluid to compensate for the water loss from sweat,” she said.

Jennifer Heu said it’s been much harder to sleep at night and the heat seems to have made her more moody than usual.

“I go to the gym ’cause there is AC there,” Heu said. “It feels like a long duration of heat, with no let up.”

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Posted in Local on Friday, September 19, 2014 1:30 am. | Tags: Palani Bukoski, Shania Zablan, Robert Ballard, Gordon Karau, Faith Campbell
Kauai Department of Water urges Hanalei customers to conserve water

By Web Staff Published: September 21, 2014, 9:15 pm Updated: September 21, 2014, 9:31 pm

Hanalei residents and businesses on Kauai are urged by the Department of Water to limit their water usage.

According to the DOW, the water conservation request affects the entire Hanalei area and will be in effect until further notice.

This is due to a transmission line leak.

Princeville Utilities Company, Inc. will be providing residents with water, like regularly, while crews work on repairs.

Residents and businesses are being told to conserve because the privately-owned tank has a much smaller capacity.

Those affected should expect low water pressure until the repairs are completed.

The DOW recommends that residents should:

- Refrain from car washing
- Turn off automatic sprinklers
- Turn off outdoor irrigation systems
- Use water wisely indoors and outdoors

Updates and information will be provided through the DOW’s Facebook page here.
LIHUE — Debra Lee-Jackson, a taro farmer from Kauai’s Puna District, said her nonprofit Hui Ho’opulapula Na Wai o Puna has spent the last year working to understand water conditions and uses in the area.

“What we have learned is shocking,” she told the Kauai County Council’s Economic Development Committee during a workshop Thursday.

As a result, the Hui, made up of a group of landowners, lessees, taro farmers, fishermen and native Hawaiians seeking to restore and preserve Puna’s watersheds, is asking the council to support, via a resolution, its petition aimed at having South Puna — known as the Hanamaulu sub-aquifer — designated as a Ground-Surface Water Management Area.

“This designation will provide our community, including the county, with the proper tools for prioritizing and balancing the use of our waters,” Lee-Jackson said.

The workshop was held so that the committee could become better informed about water issues in the area, as well as to engage the community in the broader issue. The event drew a large audience, nearly filling council chambers at the Historic County Building.

Adam Asquith, a biologist, taro farmer and extension specialist for the University of Hawaii’s Sea Grant program, presented his findings about what is happening to water in the area, calling it an “emotional and powerful” issue that must take into account local culture and traditions.

Asquith said the model sustainable yield for the sub-aquifer is 36 million gallons per day, which should be plenty considering current data shows much less is being used.

However, wells in the area continue to dry up.

“The obvious question then is how much water are we pumping from this sub-aquifer?” he said.

With wells running dry, Asquith said the county has resorted to using streams for drinking water for new development, and that reducing stream flows effects the environment, cultural and social rights of others.

One of two things is going on, according to Asquith. Either there is a problem with groundwater in south Puna, which justifies the county’s extreme action of the use of stream water and the associated impacts, justifying the need for a management designation; or, there is not a problem and the county is taking water from streams for development without justification or assessment of its impact on other users and the environment.

Deputy County Attorney Andrea Suziki, speaking on behalf of the Department of Water, said she was disappointed in how the workshop played out, but was not prepared to officially respond.

“There are some inaccuracies in the presentation that the department would like the opportunity to address adequately,” she said.

Several people testified in support of designating the area as a Water Management Area, which would ultimately require water users to obtain permits and justify water use.
The Kauai County Council committee voted unanimously to adjourn Thursday's meeting with the intention of revisiting the issue in the near future, once the DOW and other parties have time to draft a response.

Chris D’Angelo, environment writer, can be reached at 245-0441 or cdangelo@thegardenisland.com.
Operations Division Report for the Month of September 2014

Personnel

- Lists of eligible applicants for the Clerk-Dispatcher, Assistant Water Plant Operator, Pipefitter Helper were received from DPS. Interviews schedule for October and November.

Source and Storage

- Performed routine repair and maintenance of front office/admin facilities.
- Continue cleaning of various remote facilities island-wide.
- Performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.
- Performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.
- Repair work at Kilauea well 1 is temporarily suspended pending arrival of replacement parts and materials. Expected to resume in October.

Distribution

- Operations Division Field Section crews continue to perform routine leak repair of service laterals and mainlines.
- Field Section personnel went door-to-door to notify customers of contractor water service disruption due to repairs and maintenance.
- Field Section personnel assisted contractor and Construction Management Division in operating valves for the Maka Ridge project.
- Field Section personnel performed live taps to install water service connections.
- 20 water meters were issued and installed.
- We received a total of 61 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including 15 called-in complaints of no water, 6 complaints of low water pressure, 1 complaint of dirty water, and 1 complaint of overgrown tank site.

Fleet, Inventory, Warehouse and Baseyard Area

- For the month of September, a total of one hundred ninety one (191) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; replace damaged or leaking
hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines; callouts due to customer complaints/reports.

- For the month of September 2014, forty nine (49) Hawaii One Call requests for markings were received and forty three (43) were completed.

Respectfully submitted,

Valentino P. Reyna
Chief, Operations Division

VPR/ein

Attachments: Overtime Chart
Leak Report Chart

Mgrrp/October 2014/Operations Division Report for the Month of September 2014 (10-23-14):ein
County Of Kauai - DEPARTMENT OF WATER
Operations Division: Plant & Field
Total Hours for the Month
For the Period: September 2012 to September 2014
# Work Orders by Job Reason Code for Selected Date Range

09/01/2013 to 09/30/2014

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<th># of W/O's</th>
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<th>Description</th>
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<td>LEAK-BOX</td>
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<td>LEAK-CUST</td>
<td>Customer-Side Leak Repair</td>
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<td>128</td>
<td>LEAK-S/L</td>
<td>Service Lateral Leak Repair</td>
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**Work Orders by Job Reason Code**

- LEAK-BOX 18% (7.2% of total)
- LEAK-CUST 4% (1.6% of total)
- LEAK-MAIN 100 (40.0% of total)
- LEAK-S/L 128 (51.2% of total)

Total: 100.0%

**Number of Leak Repairs per Month**

- LEAK-BOX
- LEAK-MAIN
- LEAK-S/L
- LEAK-CUST
MANAGER’S UPDATE

October 23, 2014

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:
None

WAIVER RELEASE & INDEMNITY APPLICATIONS:

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<th>Applicant</th>
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</table>

STAFF REPORTS - FY 14-15:

PERSONNEL MATTERS UPDATE

October 13, 2014

RECRUITMENT AND POSITION ACTIONS

Operations Division
1. Assistant Water Plant Operator #2410. Referred list of eligibles received on 10/8/2014 from DPS. Interviews to be scheduled.
2. Heavy Vehicle and Construction Equipment Mechanic I #2469. Referred list of eligibles received on 10/8/2014 from DPS. Interviews to be scheduled.
4. Water Plant Operator I #2414. As of 9/15/2014, pending eligibles list from DPS. As of 10/13/2014, pending eligibles list from DPS.
5. Water Plants Superintendent #2490. As of 9/15/2014, pending eligibles list from DPS. As of 10/13/2014, pending eligibles list from DPS.
6. Waterworks Electronics/Plant Electrical Tradesperson I #2311. As of 10/13/2014, pending eligibles list from DPS.
7. Clerk Dispatcher II. Interviews scheduled for October 22 and 24, 2014

Fiscal Division
1. Accountant I #2488 (Accounting Section). As of 9/15/2014, selection being finalized, pending DPS review and approval. As of 10/13/2014, pending clearance from DPS to start work.
2. Customer Service Representative II #2433. As of 10/13/2014, pending clearance from DPS to start work.

Construction Management Division
1. Project Assistant #2484. As of 10/13/2014, DPS continues to review position request.
2. Water Inspector II #2483. As of 10/13/2014, DPS continues to review position request.
3. Waterworks Project Manager #2351. As of 10/13/2014, DPS continues to review position request.

Engineering Division
1. Civil Engineer II #2458. As of 10/13/2014, job posting on continuous recruitment. DOW reviewing position level.
2. Civil Engineer V #2358. As of 10/13/2014, job posting on continuous recruitment.
Water Quality Division
1. Chemist #2480. As of 10/13/2014, DPS reviewing position request.
2. Water Microbiologist III #2477. As of 10/13/2014, DPS reviewing position request.

Water Resources & Planning Division
2. Engineering Drafting Technician III #2352. As of 10/13/2014, DPS reviewing position request.

Administration
2. Private Secretary #E-35. As of 10/13/2014, pending DPS review of re-description request.
3. Deputy Secretary #2354. As of 10/13/2014, pending DPS review of re-description request.
4. Senior Clerk #2474. As of 10/13/2014, pending DPS review of re-description request.
5. Information Technology Specialist reallocation action approved by DPS effective 5/1/2014.

SUMMARY OF WARRANT VOUCHERS PAID – September 30, 2014 $1,223,129.09

CONVEYANCE OF WATER FACILITIES – $54,880.00

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<td>Hale'ele'a Investment Company LLC</td>
<td>TMK: 5-5-010:079</td>
<td>Hanalei</td>
<td>$9,500.00</td>
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<td>10/23/2014</td>
<td>DWI Properties Family Limited Partnership</td>
<td>TMK: 2-8-003:003</td>
<td>Koloa</td>
<td>$30,880.00</td>
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<td>10/23/2014</td>
<td>Clayton K. Dabin &amp; June A. Dabin</td>
<td>TMK: 4-6-019:056</td>
<td>Kawaihau</td>
<td>$14,500.00</td>
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<tr>
<td></td>
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<td></td>
<td>$54,880.00</td>
</tr>
</tbody>
</table>

CC&B BILLING SYSTEM UPDATE:
October 15, 2014, Submitted by Waterworks Controller, Marites Yano

1. HBWS has a new Support Contract starting In September as follows:
   - Steve Casazza – Project Manager
   - Saxon Martin – Support Lead/Architect
   - Osi Oji - Functional Architect
   - Zhaolin Zhang - Designer/Developer
   - Sam Macatangay - Designer/Developer
   - Gigi Robles – Business Analyst
   - Steve Cates – Technical Architect
2. Scheduled bi-monthly web conference call terminated. New CIS support is available for technical support.

IT STRATEGIC PLAN UPDATE:
October 15, 2014, Submitted by Waterworks Controller, Marites Yano

The new Financial Accounting system (FAS) is in the third month of post implementation. Brio and DOW - Fiscal held a web conference call on September 27, 2014 to update the Month End Reconciliation Procedures in Microsoft Dynamics GP 2013.
Ongoing Issues/ Risks:

1. Set up and Test Paramount Purchasing and Receiving – (Needs refining of some business processes)
   - Phase 1 - Program Management, Training and Go-live Support Migrated database to live company and supported go-live issues.

2. Program Management, Training and Go-live Support – On going

3. Set up hosted environment with nightly replication and provide 12 months hosting service
   - Financial Accounting Software is currently hosted and will expire in 8 months.

4. Transition to Pooled Cash - Open but nearing resolution:
   - The new chart of accounts and accounting processes are designed around an industry best practice for pooling cash into the minimum number of bank accounts possible. This reduces banking fees and administrative overhead while improving financial control and operational transparency. DOW has designed its new chart of accounts and processes with the assumption that it will consolidate all existing bank accounts except the one managed by the County Treasurer (for pooled investments and payroll funding).

5. GL Codes in CC&B - Open but nearing resolution:
   - The CC&B billing system is configured with GL codes from DOW’s old chart of accounts. The system is currently frozen to modification and will likely still be frozen when the new fiscal year begins. The impact is that CC&B reports will show the old GL codes. These reports will be used in the new process for daily reconciliation and posting of sales, receipts and deposits. Until CC&B is updated, DOW staff will have to translate the reported GL code totals to the new chart of accounts. These extra steps will add some complexity to the daily reconciliation process.

6. Transition to New Organizational Roles and Responsibilities – Open:
   - The transition to (and reinforcement) of the new accounting processes and controls involves a transition of organizational roles and responsibilities, providing for segregation of duties, particularly a separation of transaction entry and transaction approval rights. There is still some uncertainty about the roles and responsibilities appropriate for each of the job positions in Fiscal, and this issue is complicated by the fact that some positions are vacant.

AFFORDABLE HOUSING UPDATE:
The housing update will be given after the next scheduled affordable housing meeting.

COUNCIL MEETING – DOW’s invitation to the Oct 9, 2014 Special Economic Development Workshop Relating to Water update:
The department attended the Special Economic Development Workshop Relating to Water Workshop on October 9th. The department was given an opportunity to comment on the workshop at the end of the presentation. The Department stated that pump data is being submitted to CWRM and that some of the information presented was not correct. The County Council is planning to reconvene another workshop.

QUARTERLY UPDATES – (July – September 2014)

WATER QUALITY DIVISION:
1. New dedicated sample site was installed by contractors in Kukuiula Subdivision.
2. Main break monitoring program currently being revived. The plan in place now is that Operations or Engineering informs the Lab of major breaks (that require sampling) or installation of new infrastructure so that Lab can sample/monitor water quality.

3. Continued micro sampling of sources to see if any will present problems with fecal indicators. This is part of the Triggered Monitoring part of the Ground Water Rule.

4. Sample Collection and Reservation System is operational and being utilized. It is very helpful in keeping track of sampling, sample analysis, and scheduling of chemical samples.

5. CCR data was delivered by email this year.


7. New Autoclave installed and waste is being sterilized and disposed of.

8. New Reverse Osmosis System installed to prolong the life of the autoclave’s steam generator. A tap is available for use by operations to obtain ultrapure water.

9. UCMR 3 SE1 sampling for Sys. 400 is complete. SE2 is scheduled for January 2015.

10. Phase II and V testing and other miscellaneous testing mostly completed for 2014.

11. Renewed procurement for lab services till the end of June 2015. This is the same contract that the UCMR 3 is on. UCMR 3 testing goes on into next fiscal year.

12. Princeville notified DOW of having to remove PCB levels in one of its tanks. DOH cleared Princeville System. Samples were taken at all of our tanks with “black” linings. All tanks have non-detect for PCB.

13. Updating sample site plan and sites on Xcel spreadsheet.

14. Lab certification inspection done. Awaiting letter to address deficiencies. Already addressing those we were told about.

15. Updating procedure for no-drink water situations as encountered in the Wailua Houselots. Apparently, this was not followed in latest episode.

16. Lead and copper sampling for 2014 is completed.

COUNTY ATTORNEY QUARTERLY REPORT:
This report is submitted pursuant to Board Policy No. 25

CLAIMS SETTLED:

<table>
<thead>
<tr>
<th>Claimant Name</th>
<th>Date of Incident</th>
<th>Filed with Office</th>
<th>Nature of Claim</th>
<th>Amount Requested</th>
<th>Settlement Amount</th>
<th>Remedial Recommendation</th>
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</thead>
<tbody>
<tr>
<td>Tire Warehouse</td>
<td>March 25, 2014</td>
<td>April 11, 2014</td>
<td>DOW Vehicle scraped parked vehicle in crowded parking lot</td>
<td>$1,103.63</td>
<td>$1,098.42</td>
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</table>

Respectfully submitted,

Kirk Saiki, P.E.  
*Acting* Manager and Chief Engineer

KS/mja

Attachments: 2010 BAB Spend Down Report as of September 2014
Quarterly Reports
Quarterly Status of DOW Projects

Period of July 1, 2014– September 30, 2014

CONSTRUCTION MANAGEMENT DIVISION

Submitted by Dustin Moises, P.E.

Department of Water

October 23, 2014
The significant changes for Water Plan 2020 Projects within the CM Division during this quarter are:

The Special Projects Division and Design & Construction Divisions were officially reorganized into the Construction Management and Engineering Divisions in August 2012. This update reflects projects currently within the Construction Management Division.

Design:

Construction:
2. Job No. WK-30, Pipeline Replacement along Waipouli and Olohena Roads – Contract closed out
Design Projects
<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE June 2014</th>
<th>% COMPLETE September 2014</th>
<th>ORIG. EST. COMPLETE</th>
<th>CURRENT EST. COMPLETE</th>
<th>CURRENT CONTRACT AMOUNT</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>PLH-39</td>
<td>LIHUE BASEYARD IMPROVEMENTS (PH 1) – MASTER PLAN</td>
<td>100</td>
<td>100</td>
<td>Q4 2011</td>
<td>Q4 2011</td>
<td>$279,719 (P)</td>
<td>Design team in construction services phase for duration of construction. Will redesign Haleko intersection after contractor probes existing utilities.</td>
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<tr>
<td></td>
<td>LIHUE BASEYARD IMPROVEMENTS -DESIGN</td>
<td>100</td>
<td>100</td>
<td>Q4 2012</td>
<td>Q1 2014</td>
<td>$635,030 (D)</td>
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Construction Projects
## Construction Projects – Water Plan 2020

<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE June 2014</th>
<th>% COMPLETE September 2014</th>
<th>ORIGINAL ESTIMATE TO COMPLETE</th>
<th>CURRENT ESTIMATE TO COMPLETE</th>
<th>CURRENT CONTRACT AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>H-01, 02, 03</td>
<td><strong>MAKA RIDGE FACILITY REHABILITATION PLAN AND PRINCEVILLE INTERCONNECTION PLAN</strong></td>
<td>90</td>
<td>90</td>
<td><strong>Q1 2013</strong></td>
<td><strong>Q3 2014</strong></td>
<td><strong>$2,480,505</strong></td>
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<tr>
<td></td>
<td><strong>PLAN AND PRINCEVILLE INTERCONNECTION PLAN</strong></td>
<td></td>
<td></td>
<td></td>
<td>See Note (1,6)</td>
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<tr>
<td>WK-12 Kuhio</td>
<td><strong>WAIPULI MAIN REPLACEMENT</strong></td>
<td>100</td>
<td>100</td>
<td><strong>Q4 2013</strong></td>
<td>COMPLETE (5)</td>
<td><strong>$1,996,180</strong></td>
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<tr>
<td>WK-28 Wailua</td>
<td><strong>HOUSELOTS MAIN REPLACEMENT</strong></td>
<td>100</td>
<td>100</td>
<td><strong>Q4 2013</strong></td>
<td>COMPLETE (5)</td>
<td><strong>$4,463,084</strong></td>
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<tr>
<td>WK-30 Pipeline</td>
<td><strong>REPLACEMENT ALONG WAIPULI ROAD AND OLOHENA ROAD</strong></td>
<td>100</td>
<td>100</td>
<td><strong>Q4 2013</strong></td>
<td>COMPLETE (5)</td>
<td><strong>$1,594,295</strong></td>
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</table>

**TOTAL = $10,534,064**

(1) Change order issued which extended project schedule.
(2) Awaiting close out documents
(3) Awaiting contract dispute resolution
(4) Awaiting DPW road permit signoff
(5) Contract closed out
(6) Liquidated Damages being enforced
### Water Plan 2020 Construction Projects

#### Previous 4 quarters

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<thead>
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<td>CONSTRUCTION CONTRACTS AWARDED</td>
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<td>0</td>
<td>1**</td>
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<td>CONSTRUCTION CONTRACTS COMPLETED</td>
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<td>2*</td>
<td>1*</td>
<td>3*</td>
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<tr>
<td>OPEN CONSTRUCTION CONTRACTS (#)</td>
<td>7*</td>
<td>5*</td>
<td>4*</td>
<td>1*</td>
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<td>OPEN CONSTRUCTION CONTRACTS ($)</td>
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<td>$17,041,570</td>
<td>$12,081,438</td>
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*Design completed prior to reorganization by Special Projects Division which is current Construction Management Division

**Design completed by Construction Management Division
# Upcoming Water Plan 2020 Construction Projects

<table>
<thead>
<tr>
<th>FY 2013-2014</th>
<th>WP 2020 No.</th>
<th>PROJECT TITLE</th>
<th>STATUS</th>
<th>EST. COST</th>
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<tbody>
<tr>
<td></td>
<td>PLH-39</td>
<td>LIHUE BASEYARD IMPROVEMENTS FOR THE DEPARTMENT OF WATER</td>
<td>CONTRACT AWARDED *</td>
<td>$11.0 M</td>
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<tr>
<td></td>
<td>WKK-15</td>
<td>CONSTRUCT KILAUEA 466 TANK, 1.0 MG</td>
<td>PREFINAL DESIGN REVIEW</td>
<td>$3.5 M</td>
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<tr>
<td></td>
<td>H-05</td>
<td>WEKE, ANAE, AND HE'E ROADS 6&quot; and 8&quot; MAIN REPLACEMENT (2,760')</td>
<td>FINAL DESIGN REVIEW</td>
<td>$1.5 M</td>
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<tr>
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<td>WKK-09</td>
<td>KOLO ROAD MAIN REPLACEMENT (KILAUEA SCHOOL)</td>
<td>FINAL DESIGN REVIEW</td>
<td>$1.3 M</td>
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<td></td>
<td>K-18</td>
<td>8&quot; MAIN REPLACEMENT ALONG HALEWILI ROAD</td>
<td>FINAL DESIGN REVIEW</td>
<td>$0.8 M</td>
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<td></td>
<td></td>
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<td>TOTAL =</td>
<td>$18.1 M</td>
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*Design completed by Construction Management Division
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<th>TMK #</th>
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<th>CERT. OF COMPLETION</th>
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<tbody>
<tr>
<td>(4) 4-6-23:19</td>
<td>Craig Hoshide</td>
<td>1st 5/8 meter for double water meter for TMK 4-6-23:19</td>
<td>COMPLETE</td>
<td>7/15/2014</td>
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<tr>
<td>(4) 2-3-04:12</td>
<td>Richard Teter</td>
<td>Water meter plan for Lot 97-E</td>
<td>COMPLETE</td>
<td>7/24/2014</td>
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<tr>
<td>(4) 2-6-014:026</td>
<td>Lindsay Crawford</td>
<td>Installation of DSL with relocated meter for lots B &amp; C</td>
<td>COMPLETE</td>
<td>8/28/2014</td>
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<tr>
<td>(4) 2-3-24:72</td>
<td>David &amp; Jill Capri</td>
<td>Water Meter Plan for Lot 72</td>
<td>COMPLETE</td>
<td>9/26/2014</td>
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<td>(4) 4-3-07: 29 &amp; 30</td>
<td>Longs Drugs Stores California LLC</td>
<td>Longs Drugs Store Kapaa</td>
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<td>(4) 4-2-7:02</td>
<td>Kurt Bosshard</td>
<td>Installation of Second SSL for Parcel 2</td>
<td>COMPLETE</td>
<td>9/26/2014</td>
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<td>(4) 3-3-12:02</td>
<td>Paul Schurch</td>
<td>Construction Plans for Schurch Industrial Building</td>
<td>COMPLETE</td>
<td>9/2/2014</td>
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<td>(4) 3-2-07:018</td>
<td>White Rock Ltd., Nawiliwili Estates</td>
<td>Installation of Triple &amp; Single Service Water Lateral &amp; Water Meters for Units 1, 3, 5, 6, 7 &amp; 10</td>
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<td>8/25/2014</td>
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<td>(4) 4-6-15:48</td>
<td>Melvin and Clarence Soong</td>
<td>Water Meter Plan for Lot 14-A-1 (S-2008-16), Haua’ala Road</td>
<td>COMPLETE</td>
<td>8/20/2014</td>
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<td>(4) 3-6-10:01</td>
<td>Dawn M. Murata Trust</td>
<td>Waterline Plan for Lot130-A Land Court Application 1087</td>
<td>COMPLETE</td>
<td>7/16/2014</td>
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<td>(4) 4-6-17:78</td>
<td>Jeff Rapetti</td>
<td>Water Meter Plan for Lot 6, Unit 1, Laipo Road</td>
<td>COMPLETE</td>
<td>7/1/2014</td>
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<td>(4) 2-7-08:51</td>
<td>Albert Kaneshiro</td>
<td>Water Meter Plan for Lot 12 Puu Pinao Subdivision</td>
<td>COMPLETE</td>
<td>7/1/2014</td>
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<tr>
<td>TMK #</td>
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<td>(4) 4-8-06:40 / 862</td>
<td>Lorren Van Fossen</td>
<td>Water Meter Plan for Parcel 40</td>
<td>Awaiting PRECON</td>
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<tr>
<td>(4) 4-8-11:14</td>
<td>Aloiau Inc (Joane Trask)</td>
<td>Installation of SSL for Parcel 14</td>
<td>IN CONSTRUCTION</td>
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<td>(4) 4-8-11:15 Unit A &amp; C</td>
<td>Stephen Tom</td>
<td>Installation of DSL for Parcel 15, Unit A &amp; C</td>
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<td>(4) 4-8-6:37</td>
<td>Robert Russell</td>
<td>Water Meter Plan for Parcel 37</td>
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<td>(4) 4-9-002:016 / 923</td>
<td>Neal Kakimoto</td>
<td>Water Meter Plan for Lot 59-A-1 Unit 2</td>
<td>IN CONSTRUCTION</td>
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<tr>
<td>(4) 4-8-11:021</td>
<td>Akiko Oshima</td>
<td>Water Meter plan and hydrant for Aliomanu Road</td>
<td>IN CONSTRUCTION</td>
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<tr>
<td>(4) 2-1-01: por 52</td>
<td>Kauai Habitat for Humanity</td>
<td>Construction Plans for Eleele Luna Phase 2 Subdivision Increment 1</td>
<td>IN CONSTRUCTION</td>
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<tr>
<td>(4) 5-4-4:32</td>
<td>Richard Carlson</td>
<td>Water Service Installation Plan for Parcel 32</td>
<td>Awaiting PRECON</td>
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<tr>
<td>(4) 5-5-6:16</td>
<td>Janet Henry Simmons</td>
<td>Water Service Installation Plan for Parcel 16</td>
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<tr>
<td>(4) 5-5-10:73</td>
<td>Jay&amp; Nicole Welch</td>
<td>Water Service Installation Plan for Parcel 73 (Hanalei Liquor store)</td>
<td>Awaiting PRECON</td>
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<tr>
<td>(4) 2-3-020:77 / 785</td>
<td>James O. Agee Trust</td>
<td>Installation of Double Service Lateral &amp; Triple Service Lateral for Lot 128 B-1</td>
<td>Awaiting PRECON</td>
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<tr>
<td>(4) 2-3-04:6</td>
<td>Jennifer Cole- Conner</td>
<td>Water meter plan for Lot 105-H</td>
<td>AWAITING PRECON</td>
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<tr>
<td>(4) 5-2-22:011</td>
<td>Frankenreiter Family Trust</td>
<td>Installation of Second Single Service Lateral for Parcel 11, CPR Unit 1</td>
<td>AWAITING COC DOCS</td>
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<tr>
<td>(4) 4-4-003:091 / 927</td>
<td>Clayton Chow</td>
<td>Water Meter Plan for Lot 10 - ADU</td>
<td>AWAITING PRECON</td>
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<tr>
<td>(4) 4-6-017:49, 50, 129 &amp; 130</td>
<td>Patricia Tiner</td>
<td>6&quot; Water Main along Hekili Road &amp; Continuing along La Road</td>
<td>AWAITING PRECON</td>
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<td>(4) 4-3-08:001</td>
<td>Paul Kyno (Oasis Restaurant)</td>
<td>Water Service to Oasis Restaurant</td>
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<td>County of Kauai</td>
<td>Kamalu Road Culvert</td>
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<td>County of Kauai</td>
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<td>(4) 4-4-03:048</td>
<td>Cheeseman Family Trust</td>
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<td>(4) 4-6-14:83</td>
<td>Michelsen Trust</td>
<td>2nd Single Service Lateral for Lot A, Parcel 83, TMK:4-6-14</td>
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<td>(4) 1-3-10:70</td>
<td>Ruth Togioka, Florence S. Togioka Trust, Myles Togioka Trust</td>
<td>Single Service Lateral for Lot 199-B, S-2012-01, 4584 Pueo Road</td>
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<td>(4) 5-1-05:37</td>
<td>Melina Friedman ET. AL.</td>
<td>Water Service Improvements for Lot 14, Kilauea Agriculture Subdivision, &quot;Niku Farm&quot; Condominium</td>
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<tr>
<td>(4) 5-2-04:77</td>
<td>Richard M. Jones Trust and Crystal A. Jones</td>
<td>Installation of 2nd Single Service Lateral &amp; Backflow Preventor for Lot 4, Unit 1, Mele Makani Estates, 2405C Makana'ano Place</td>
<td>AWAITING PRECON</td>
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<td>(4) 5-1-4:046</td>
<td>Jeffrey Lindner</td>
<td>Water meter and fire protection service connections for Bertleman's Subdivision</td>
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<td>(4) 2-8-03:03</td>
<td>DWI Properties Family Ltd. Partnership</td>
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<td>(4) 2-6-015:014</td>
<td>Kukuiula Development Company, LLC</td>
<td>Premiere Estate Lot</td>
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<td>(4) 2-6-015:014</td>
<td>Kukuiula Development Company, LLC</td>
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<td>Kukuiula Development Company, LLC</td>
<td>Parcel A</td>
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<tr>
<td>(4) 2-6-015:por</td>
<td>Kukuiula Development Company, LLC</td>
<td>Ala Kukuiula Phase 3</td>
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<tr>
<td>(4) 2-6-019:017</td>
<td>Kukuiula Development Company, LLC</td>
<td>Parcel FF - Phase I</td>
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<td>(4) 2--8-31:109</td>
<td>Steve Mocinikar</td>
<td>Water Meter Plan for Lot 109</td>
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<td>(4) 3-6-011:104</td>
<td>David Rita</td>
<td>Water Service Connection Single Service Lateral for Lot 950</td>
<td>AWAITING COC DOCS</td>
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<tr>
<td>(4) 3-6-09: 001 &amp; (4)3-6-004:009</td>
<td>County of Kauai</td>
<td>Rice Camp Senior Housing Offsite Improvements</td>
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<tr>
<td>(4) 3-3-03:46</td>
<td>Property Development Centers, LLC (Safeway Inc)</td>
<td>Offsite Roadway Improvements for Hokulei Village: Phase I and Phase II</td>
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## Construction Projects – Private

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<th>TMK #</th>
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<th>DESCRIPTION</th>
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<td>(4) 3-3-03:46</td>
<td>Property Development Centers, LLC (Safeway Inc)</td>
<td>Demolition and removal of existing DOW tanks</td>
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<td>(4) 3-3-03:46</td>
<td>Property Development Centers, LLC (Safeway Inc)</td>
<td>Hokulei Village Onsite Improvements for Phase I</td>
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<tr>
<td>(4) 2-7-04:097</td>
<td>Scott Taylor</td>
<td>Water Meter Service Connection TMK: (4) 2-7-004:097</td>
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<td>(4) 2-7-04:096</td>
<td>Danny and Linda Charlson</td>
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<td>(4) 3-3-013: 024</td>
<td>R.R.S. Inc.</td>
<td>Reduced Pressure Detector Assembly Plan for Lot 1112</td>
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<td>(4) 4-2-009:042</td>
<td>Jean Sato</td>
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<td>(4) 5-8-10:008</td>
<td>Harry Trent Bowman</td>
<td>Water Service Installation Plan for lot 91</td>
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<td>(4) 1-2-08:003</td>
<td>John and Teresa Driver</td>
<td>Wastewater Service Connection SSL for Lot 52-B-1</td>
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<td>(4) 2-7-004:007</td>
<td>David &amp; Jody Stillwell</td>
<td>Construction Drawings: 2nd 5/8&quot; Domestic Service Connection</td>
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<td>(4) 2-7-04:03, 99, 100, 101</td>
<td>Heather DeGeus</td>
<td>Water Meter Relocation Plan for Parcels 3, 99, 100, 101, Omao Road</td>
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<td>(4) 2-8-31:185</td>
<td>Jack Hendrickson</td>
<td>Water Meter Plan for Lot 185, Halalu Street</td>
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<td>(4) 2-8-31:189</td>
<td>Ryan McLoughlin</td>
<td>Water Meter Plan for Lot 189</td>
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<td>(4) 5-6-04:23</td>
<td>Waipa Foundation Community Cultural Center</td>
<td>Waipa Foundation Community Cultural Center</td>
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<td>(4) 2-7-06:006</td>
<td>Kenneth Souza</td>
<td>Hydrant Plan for Punee Road (S-2013-5)</td>
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<td>(4) 2-4-02:04</td>
<td>Susan A. Matsumoto Trust and Joyce Y. Kubota Trust</td>
<td>Single Service Lateral &amp; Double Service Lateral for Lot 60, Kikala Road</td>
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<td>(4) 4-6-19:056</td>
<td>Clayton Dabin</td>
<td>Installation of a Single Service Lateral for Lot 29-B</td>
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<td>(4) 4-3-03-015</td>
<td>Leonard Kaui</td>
<td>Water Meter Plan for Parcel 15</td>
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<td>(4) 5-2-12:35</td>
<td>Charles Somers</td>
<td>Water Service Installation Plan for Lot 8-W-9-A (Parcel 35)</td>
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<td>(4) 5-3-09:03</td>
<td>Ken Attix</td>
<td>Water Meter Plan for Lot 3</td>
<td>AWAITING COC DOCS</td>
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<td>(4) 5-2-04:102, Unit 6</td>
<td>North Shore Christian Church</td>
<td>6&quot; Reduced Pressure Detector Assembly for North Shore Christian Church</td>
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<td>(4) 2-5-004:036</td>
<td>Beth Charlton</td>
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<td>(4) 2-5-01:12</td>
<td>Kauai Bible Church</td>
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<td>(4) 2-5-01:Por 2</td>
<td>Kauai Bible Church</td>
<td>Kauai Bible Church Highway Acess</td>
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## Staffing Update

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<tr>
<td>2470</td>
<td>Construction Management Project Officer</td>
<td>Dustin Moises</td>
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<tr>
<td>2351</td>
<td>Waterworks Project Manager</td>
<td>Vacant</td>
<td>Reclassifying Position with DPS (Submitted to DPS May 2013) Have never received official response related to first review yet – 17 months with no review response to date</td>
</tr>
<tr>
<td>2484</td>
<td>Project Assistant</td>
<td>Vacant</td>
<td>Reclassifying Position with DPS (Submitted to DPS May 2013) Have never received official response related to first review yet – 17 months with no review response to date</td>
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<tr>
<td>2353</td>
<td>Waterworks Inspector III</td>
<td>Daniel Kittredge</td>
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<tr>
<td>2355</td>
<td>Waterworks Inspector II</td>
<td>Leo Anguay</td>
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<tr>
<td>2357</td>
<td>Waterworks Inspector II</td>
<td>Alfred Levinthol</td>
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<tr>
<td>2483</td>
<td>Waterworks Inspector II</td>
<td>Vacant</td>
<td>Reclassifying Position with DPS (Submitted to DPS May 2013) Have never received official response related to first review yet – 17 months with no review response to date</td>
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</tbody>
</table>
Quarterly Status of DOW Projects

Period of July 1, 2014 – September 30, 2014
ENGINEERING DIVISION

Department of Water
October 23, 2014

Submitted by Keith Aoki
EXECUTIVE SUMMARY

The significant changes for this quarter are:

Design:
1. Job No. WK-8, Kapaa 1.0 MG Tank (313 Zone) – working on resolving drainage for project
2. Job H-05, Weke, Anae, Mahimahi and He’e Roads, 6" and 8" replacement – tracings being routed for approval signature.
3. Job No. K-18, 8" Main Replacement Along Halewili Road – Working on State requirements that need to be completed before construction can start.
4. Job No. 13-7, Koloa Well D Repairs – Consultant addressing comments
5. Job No. 13-05, Kolo Road Main Replacement – Addressing Final design comments.
6. Job No. 02-06, Construct Kilauea 466’ Tank, 1.0MG – consultant addressing design comments
7. Private Projects: 16 new projects were submitted for Engineering review during this quarter.
8. Ongoing consultant selection process for the Hanapepe Stream Crossing To Wells A & B.
• Design Projects
<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE July 2014</th>
<th>% COMPLETE Sept 2014</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>KW-28</td>
<td>Amfac Shaft Renovation, Phase 3</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>Project put on hold.</td>
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<tr>
<td>KP-09</td>
<td>Koloa Well MCC Improvements</td>
<td>80</td>
<td>80</td>
<td>Q4 2014</td>
<td>$300,000 (D)</td>
<td>Pre-final plans submitted for review</td>
</tr>
<tr>
<td>HE-14</td>
<td>Eleele Booster Station Rehab</td>
<td>15</td>
<td>15</td>
<td>Q4 2014</td>
<td>$92,000</td>
<td>Design in progress</td>
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</tbody>
</table>
# SOUTH SIDE DESIGN PROJECTS

**KALAHEO, LAWAI, POIPU, KOLOA**

<table>
<thead>
<tr>
<th>WP 2020 NUMBER</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE July 2014</th>
<th>% COMPLETE Sept 2014</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>K-01</td>
<td>Kalaheo Water System Improvements (North)</td>
<td>85</td>
<td>85</td>
<td>Q1 2015</td>
<td>$964,510 (D)</td>
<td>Under Design</td>
</tr>
<tr>
<td>LO-10, LO-08</td>
<td>Koloa Road 8” and Omao Road 6” Main Replacement</td>
<td>85</td>
<td>85</td>
<td>Q4 2014</td>
<td>$86,750 (D)</td>
<td>Under Design</td>
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<tr>
<td>K-05A</td>
<td>Construct Kalaheo 0.5 MG Tank, 886’</td>
<td>75</td>
<td>75</td>
<td>Q1 2015</td>
<td>$216,637 (D)</td>
<td>Under Design / Working out land issues</td>
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<tr>
<td>K-17</td>
<td>Feasibility Kalaheo, Kokolau, and Akulikuli Treatment Facilities</td>
<td>92</td>
<td>92</td>
<td>Q2 2015</td>
<td>$117,701 (D)</td>
<td>Draft PER submitted to DOW</td>
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<tr>
<td>K-18</td>
<td>8” Waterline along Halewili Road (Kaumualii Highway to Haku Hale Road)</td>
<td>99</td>
<td>99</td>
<td>Q2 2014</td>
<td>$82,797 (D)</td>
<td>Waiting for State approval of Use and Occupancy Agreement</td>
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<td></td>
<td>Koloa Well D Repairs</td>
<td>25</td>
<td>50</td>
<td>Q4 2014</td>
<td>$59,088 (D)</td>
<td>Preliminary plans reviewed by DOW</td>
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## EAST SIDE DESIGN PROJECTS

### LIHUE-PUHI, WAILUA-KAPAA, ANAHOLA

<table>
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<tr>
<th>WP 2020 NO.</th>
<th>PROJECT TITLE</th>
<th>% COMPLETE July 2014</th>
<th>% COMPLETE Sept 2014</th>
<th>EST. COMPLETE</th>
<th>BUDGET COST</th>
<th>STATUS</th>
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<tbody>
<tr>
<td>PLH-01A</td>
<td>Replace Grove Farm Tanks 1 &amp; 2</td>
<td>80</td>
<td>80</td>
<td>Q1 2015</td>
<td>$229,658(D)</td>
<td>Under Design</td>
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<tr>
<td>PLH-37</td>
<td>Deepen Puhi Well No. 2</td>
<td>PH 1-100</td>
<td>PH 1-100</td>
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<td>$67,900 BUDGET</td>
<td>Phase II Proposal Pending</td>
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<tr>
<td>WK-01</td>
<td>Rehabilitate Moelepe Tunnel and Access Road</td>
<td>65</td>
<td>65</td>
<td>Q4 2014</td>
<td>$91,400 (D)</td>
<td>Under Design</td>
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<tr>
<td>WK-2</td>
<td>Rehab Akulikuli Tunnel (PHASE I)</td>
<td>100</td>
<td>100</td>
<td>Q1 2005 (Ph.1)</td>
<td>$300,000 (D)</td>
<td>Ph.1 - Completed Ph.2 – on hold</td>
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<tr>
<td></td>
<td>Rehab Akulikuli Tunnel (PHASE II)</td>
<td>-</td>
<td>-</td>
<td>Q3 2009 (Ph.2)</td>
<td>$392,000</td>
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<tr>
<td>WK-8</td>
<td>Kapa’a Two-0.5 MG Tank (313 ZONE) (Phase I - Planning)</td>
<td>96</td>
<td>96</td>
<td>Q4 2014</td>
<td>$681,128 (D)</td>
<td>Working on Resolving Drainage issues</td>
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## EAST SIDE DESIGN PROJECTS
### LIHUÉ-PUHI, WAILUA-KAPAA, ANAHOLA

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<th>WP 2020 NUMBER</th>
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<tr>
<td>WK-23</td>
<td>Wailua Homesteads 0.25 MG Tank site (U.H. Experimental Station) ph 1</td>
<td>30</td>
<td>35</td>
<td>Q3 2015</td>
<td>$50,000</td>
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<tr>
<td>WK-39</td>
<td>Kapa’a Homesteads Well #4</td>
<td>90</td>
<td>90</td>
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<td>$352,000(D)</td>
<td>Plan to rebid upon drainage resolution.</td>
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<td>WK-02, PLH-42</td>
<td>Akulikuli Tunnel and Kokolau Tunnel Feasibility</td>
<td>92</td>
<td>92</td>
<td>Q2 2015</td>
<td>$117,701(D)</td>
<td>PER In review</td>
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<tr>
<td>WP 2020 NUMBER</td>
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<td>M-3</td>
<td>Moloa’a Tank Site Acquisition and other Land Issues</td>
<td>85</td>
<td>85</td>
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<td>$105,000 (P)</td>
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<td>M-2</td>
<td>Moloa’a 0.10 MG Tank site acquisition</td>
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<td>$119,207 (D)</td>
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<td>WKK-15</td>
<td>Kilauea 1.0 MG Tank (Phase I)</td>
<td>97</td>
<td>99</td>
<td>Q3 2014</td>
<td>$12,700 (P) $236,600 (D)</td>
<td>Re-design of retaining wall submitted</td>
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<td>H-8</td>
<td>Drill and Test Hanalei Well #2.</td>
<td>70</td>
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<td>$425,000 (Combined with Wainiha Well 4)</td>
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<td>WKK-17</td>
<td>Kolo Road Main Replacement (phase 1)</td>
<td>85</td>
<td>90</td>
<td>Q4 2014</td>
<td>$1,300,000 (design and construction)</td>
<td>Consultant addressing final design comments</td>
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## NORTH SHORE DESIGN PROJECTS

### MOLOAA, KILAUEA, ANINI, HANALEI, HAENA

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<td>ANI-01</td>
<td>Kilauea Pipeline to Anini Pipeline Replacement</td>
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<td>Phase I</td>
<td>85</td>
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<td>Phase II</td>
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<td>H-05</td>
<td>Weke, Anae, Mahimahi and He’e Roads, 6” and 8” Main Replacement</td>
<td>90</td>
<td>95</td>
<td>Q4 2014</td>
<td>$143,605 (D)</td>
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## Private Projects of Note

<table>
<thead>
<tr>
<th>Area</th>
<th>DEVELOPMENT OR DEVELOPER</th>
<th>PLAN REVIEW STATUS</th>
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<tbody>
<tr>
<td>Eleele</td>
<td>Eleele Luna Subdivision, Phase 2, Incr. 2 (S-2006-49)</td>
<td>Pending resubmittal</td>
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<tr>
<td>Koloa</td>
<td>U/AA Subdivision (S-2011-21)</td>
<td>Pending resubmittal</td>
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<td>Koloa</td>
<td>HH-11 Subdivision (S-2011-20)</td>
<td>Pending resubmittal</td>
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<tr>
<td>Poipu</td>
<td>Village at Poipu New Entry Road (S-2003-48)</td>
<td>Pending resubmittal</td>
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<tr>
<td>Lihue</td>
<td>Puakea II Subdivision (S-2009-21)</td>
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## Private Projects of Note

<table>
<thead>
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<tr>
<td>Lihue</td>
<td>Waiola Subdivision Ph III (S-2009-15)</td>
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<tr>
<td>Lihue</td>
<td>Kapule-Rice Intersection Improvements</td>
<td>Pending resubmittal</td>
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<tr>
<td>Lihue</td>
<td>Walani Ahukini Makai Subdivision- offsite (S-2005-41)</td>
<td>Pending resubmittal</td>
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<tr>
<td>Lihue</td>
<td>Walani Ahukini Makai Subdivision- onsite (S-2005-41)</td>
<td>Pending resubmittal</td>
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<td>Lihue</td>
<td>Wailani Molokoa Subdivision-offsite (S-2005-39)</td>
<td>Pending resubmittal</td>
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<tr>
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<td>Wailani Molokoa Subdivision-onsite (S-2005-39)</td>
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<tr>
<td>Lihue</td>
<td>Kumupa’a at Kohea Loa (S-2006-12)</td>
<td>Pending resubmittal</td>
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<tr>
<td>Kapaa</td>
<td>Kulana Subdivision revisions (S-99-49)</td>
<td>Pending resubmittal</td>
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